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NEWS SUMMARY

GENERAL

Smith chief for London talks

Chief Chirau, one of the three black signatories to the internal Rhodesian settlement, announced that he is to fly to London to-day.

The Chief told the Rhodesian News Agency that he hoped to meet Dr. David Owen, Foreign Secretary. He said he could see no justifiable reason for Britain not recognising the Salisbury accord.

Dr. Owen is due to hold talks in London to-day with Mr. Joshua Nkomo and Mr. Robert Mugabe, the Patriotic Front leaders.

Mr. Ian Smith, Rhodesian Prime Minister, in a radio and TV broadcast, said that any decision on attending the planned Anglo-U.S. conference on Rhodesia's future would have to be taken by the heads of the incoming interim Government.

In Washington, Mr. Andrew Young U.S. Ambassador to the UN conceded that the attempt to bring all black Rhodesian factions together in a settlement conference was "a real long shot." Page 2

Somali guerillas to fight on

Both wings of the Somali guerilla movement operating inside Ethiopia said they would fight on despite the withdrawal of Somali regulars, a development regarded in the U.S. as "very dangerous." Page 2. Editorial comment, Page 14

Twenty skiers feared buried

Twenty skiers were feared buried in an avalanche near Aigle, Switzerland. Rescue squads, helicopters and Army units were last night searching for victims who may be under 15 to 18 feet of snow across a front of 250 yards. Two skiers died in another avalanche near Annecy in France.

Rome Cabinet

The Italian Communist Party, backing a Government for the first time for 30 years, criticised the reappearance of old faces in Sig. Andreotti's new Cabinet which is to be sworn in to-day. The criticism illustrates the fragility of Italy's new Government. Page 3

Bhutto arrests

Mrs Musrat Bhutto, wife of Pakistan's former Prime Minister was placed under house arrest for 15 days. Three editors of Musawat, organ of Mr. Bhutto's Pakistan People's Party were arrested after the daily newspaper published a statement in which Mrs. Bhutto said that last week's mass detentions indicated that the verdict—expected this week—would go against her husband at his trial. Page 3

Ulster probe

An investigation is taking place into allegations that more than £30,000 has been paid out in false pay claims by the 10th battalion of the mainly part-time Ulster Defence Regiment, police confirmed in Belfast.

Change of heart

Three months of weightlessness has caused a slight change in the position of the heart of one of Salyut-6 cosmonauts. Another change was a minor shrinking of the calf muscles of both men in the orbital laboratory, a Soviet space scientist said in Moscow.

Briefly . . .

Tolchard Evans, the composer of Lady of Spain among more than 1,000 songs, has died, aged 77.

A Labrador crippled with rheumatism, has been cured by wearing a copper collar her Nottingham owner claimed.

Lincolnshire starlings are being exported in thousands by a company whose head said: "Our cat won't eat them, but they go down well in Europe."

Swansea holder of Premium Bond No. EP453177 has won the weekly £50,000 prize.

BUSINESS

New plan to govern State industries

● POWERS for Ministers to instruct nationalised industries about how to conduct their businesses are to be contained in a White Paper to be published by the Treasury next week.

The instructions would have to be in the national interest and would be subject to Parliamentary approval. Compensation for financial loss as a result of compliance with these instructions is expected to be built in to such legislation. Back Page

● BARCLAYS BANK has dropped its plans to resume Saturday opening because of opposition from bank staff unions. But proposals under discussion with NUBE could, if accepted, allow more flexibility in bank opening hours. Back Page

● CITICORP, the second largest U.S. commercial bank, has reversed its policy and will no longer make loans to the South African Government or Government-owned enterprises. Back Page

● DELOITTES, one of the eight largest U.K. and international accounting firms, has terminated its associations with an Arab accounting firm and will be developing its own business in the Middle East. Back Page

Tokyo imports scheme

● JAPAN has adopted an emergency plan to speed up imports—notably the A-300 European Airbus—in order to alleviate problems of renewed appreciation of the Yen, the continuing heavy trade surplus, and lack of progress in EEC trade talks. Back Page. Japan-EEC trade talks Page 4

● TRADE figures and money supply figures for February will be published this week, and both are expected to generate keen market interest, after the gloomy showing last month. Page 6

● AVERAGE level of net income after tax appears to be recovering in real terms after the low levels recorded last year, according to Treasury calculations. Page 6

● U.K. MOTOR industry has told the Government it would prefer a neutral Budget on car taxation to any special measures designed to expand the car market. Page 5

● CHRYSLER U.K. is hoping to capture more than 10 per cent. of the British car market with the launch of its new French built Horizon saloon. Page 5

LABOUR

Birds Eye men end strike

● MAINTENANCE men at Birds Eye factory at Kirkby, Liverpool, have voted to call off the 14-week strike which resulted in the sacking of 1,200 workers. Back Page

● BID to avert the threatened two-day engineering strike will be made to-day as unions and employers negotiate the implementation of an agreement reached between them over new rates. Page 6. Britsh Leyland unions are seeking a meeting with BL chairman Mr. Michael Edwardes to discuss worker participation. Page 6

● PAY TALKS get under way this week on a claim by 700,000 building and civil engineering workers. The employers are expected to offer 10 per cent. and a fourth week's holiday to be introduced in the future. Page 6

● U.S. MINERS are due to start a court-ordered return to work this week, and there are hopes of progress in negotiations to resolve the 96-day dispute that has shut down half the U.S. coal production. Page 2

CONTENTS OF TO-DAY'S ISSUE

FEATURES

Socialists win fewer votes than expected

French Left heads for initial victory

BY ROBERT MAUTHNER and DAVID CURRY: PARIS, March 12

THE SOCIALIST-Communist Opposition to-night built up a substantial lead in the first round of the French general election, but it was not clear whether it would be big enough to win a Parliamentary majority in next week's run-off.

Computer predictions showed that the combined parties of the Left—estimated to have polled 50.2 per cent. of total votes compared with the Government coalition's 45.3 per cent.—had done less well than expected. Pre-election polls had forecast that the Left would take 51 to 52 per cent. of the popular vote.

Under the complicated French voting system, only candidates who obtain an absolute majority are elected outright in the first ballot.

In constituencies where there is no clear winner, all candidates obtaining at least 12.5 per cent. of the registered votes have the right to go through to the run-off, which is decided by simple majority.

The Government coalition parties have already agreed that, in the second round, they will back joint candidates. But on the Opposition side, only the Socialists have so far given an undertaking that they will stand down in favour of Communists in constituencies where the latter have emerged as the leading representatives of the Left.

The final outcome of the election may well hinge on the conclusion of such an electoral pact. But if the Left-wing vote is split again in the run-off, the public opinion polls have shown that the Government coalition could still win a National Assembly majority in spite of its lower popular vote in the first round.

Voting goes quietly, Page 3
U.K. investment in France, Page 28
Lex, Back Page

Conditions in which negotiations between the parties of the Left will take place have changed with the results of the first round.

Convinced that the Socialists would emerge as by far the strongest party of the Left, M. Francois Mitterand, their leader, has been adopting a tough stand in recent weeks.

He refused to bow to Communist demands that an arrangement by the two parties to stand down in each other's favour in the second round should be accompanied by a firm agreement on the common Government programme of the Left. He insisted that such an agreement would not be negotiated until after the election.

The Socialists, however, now find themselves in a much weaker position than they had expected. Instead of polling 27 or 28 per cent. of the popular vote, the computer projections give them and their Radical allies no more than 24.9 per cent. of the vote. The Socialists alone take 23.4 per cent.

Their lead over the Communists who polled about 21 per cent. of the vote to-day, is thus not nearly as great as was expected.

The Communists will try to strike a very hard bargain at a Left summit meeting due to take place to-morrow. If a common Government programme of the Left ever sees the light of day, it is likely to go much further than the Socialists would have liked.

Agreement between the three parties of the Left will not be made any asier by the short time at their disposal.

Nominations for the second round of voting close by midnight on Tuesday and cannot be withdrawn.

To-night, M. Georges Marchais, the Communist leader, indicated clearly what obstacles still had to be overcome before an agreement could be reached.

Confirming that he had invited the other Left-wing leaders to a summit meeting to-morrow, he said that the object of the meeting should be to reach clear agreement on a Government programme and the composition of a future Left-wing Government, in addition to making an electoral arrangement.

M. Marchais and M. Mitterand both stressed that the results of the first round showed that there was now a Left-wing majority in France and that everything should be done to ensure a unified Left-wing front next week.

On the Government side, the Gaullists have again emerged as the strongest party, with 22 per cent. of the poll. This is less than their 24 per cent. in the first round of the March 1973 election, but they benefited then from the fact that the President, the late M. Georges Pompidou, was a Gaullist.

However, President Giscard d'Estaing's party, and the Centrists, who fought a joint

Continued on Back Page

Fear of Israeli reprisals after worst terror raid

BY DAVID LENNON

TEL AVIV, March 12.

ISRAEL was to-night preparing its response to the worst ever Palestinian guerilla raid in the country's history which left 37 dead and over 80 injured.

As the biggest manhunt in the country's history ended last night with the discovery that no guerilla had after all escaped Saturday's bloody battle, it seemed certain that Israel's stand in the current Middle East peace talks would harden.

Massive retaliation against guerilla concentrations in southern Lebanon now seems almost inevitable further upsetting the precarious balance in the area.

Mr. Menahem Begin, the Prime Minister, to-day expressed the hope that this "bloody event" would not prevent Egypt and Israel from reaching a peace agreement. But he warned that the perpetrators of the terrorist attack would be punished. Earlier, he had postponed his visit to Washington for crucial talks with President Carter which were to have started to-day.

Israel was also preparing to call on the U.S. to drop its backing for the Egyptian insistence that there must be prior agreement on establishing a Palestinian State before there could be any progress in the peace talks.

Mr. Begin's government already refuses even to consider Israeli withdrawal from the occupied West Bank. This latest attack—aimed it is thought at wrecking the peace initiative launched by Egypt's President Anwar Sadat—is bound to stiffen Israeli resistance to any form of independent Palestinian State in the occupied territories.

Al Fatah, the guerilla body of the Palestine Liberation Organisation, has claimed responsibility for the raid.

Mr. Begin made it clear at a Jerusalem Press conference that Israel was planning to retaliate when he declared: "Those who kill Jews in our time cannot enjoy immunity. We shall elimate this constant threat. We shall defend our people."

The Prime Minister refused to specify the nature or timing of Israeli reprisals on Palestinian bases in the Lebanon and possibly also in Syria.

Mr. Ezer Weizman, Defence Minister, who cut short his visit to the U.S., said on arrival at Ben Gurion Airport that responsibility for the attack lay with those places from which the killers set out.

The Cabinet met in emergency session last night and reconvened for 90 minutes this morning.

Later Mr. Begin said that Israel now expected greater Western understanding of Israel's opposition to the creation of a Palestinian State on the West Bank and Gaza Strip. The Israeli Foreign Ministry issued a call to all nations to withdraw recognition and support from the PLO.

Mr. Begin emphasised in a statement to-day that it was Abu Jihad, head of the military branch of Fatah who gave the order for yesterday's attack. Mr. Yasser Arafat, heads both Fatah, and the PLO.

Papers found on six dead guerillas, show that they had intended to take hostages in the hotel area of Tel Aviv to obtain the release of five convicted terrorists

As the country was burying the first victims of the attack, officials were preparing to use Saturday's killings to intensify Israel's argument that it is, in Mr. Begin's words, "unthinkable" to permit the creation of a Palestinian State which would inevitably be PLO dominated.

It was stressed in Jerusalem that both the U.S. and Egypt will now have to alter their stance on Palestinian statehood. It was because Washington and Cairo had raised the Palestinian issue to the top of priorities in the current peace negotiations that the terrorists had been forced to act, it was claimed.

Israel is expecting more attacks both at home and on her representatives' offices abroad.

Aftermath of the raid, Page 2

U.S. jets for Arabs in doubt

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 12.

THE CARTER Administration's hopes of being able to secure Congressional approval for its plan to sell fighter aircraft to Egypt and Saudi Arabia, may have been severely diminished by Saturday's guerilla raid in Israel.

There is less certainty here over whether the raid will have the effect of consolidating Jewish American opinion behind the Israeli Prime Minister's clear determination to persevere with an interpretation of UN Resolution 242 that would obviate Israeli withdrawal from the West Bank. But it is felt that the incident will increase support for the basic Israeli argument that its security must be properly guaranteed.

Pro-Israeli lobbyists have been working hard here on Capitol Hill contending that the proposed arms sale to the two Arab nations—particularly the F-15 jets for Saudi Arabia—constitute inherent threats to that security.

Thus, late on Friday night, a majority of the members of the House International Relations Committee published a letter urging President Carter to reconsider the Middle East arms sales package, which the Administration has maintained must not be fragmented.

The letter, signed by 21 of the 37-member committee, said that to provide Saudi Arabia with advanced aircraft comparable to those being sold to Israel would "place Saudi Arabia on Israel's strategic map, raising tensions and increasing the likelihood of Saudi involvement in any future Arab-Israeli conflict."

The Congressmen agreed that the U.S. did have an interest in promoting "constructive relationships" with Egypt and Saudi Arabia, but claim that much had been done already on behalf of those nations.

Meanwhile an unamed State Department official said after the U.S. Assistant Secretary of State's shuttle diplomacy in the Middle East, that Israeli unwillingness to withdraw its troops from the West Bank was the major stumbling block to settling the Palestinian question and to formulating an agreed declaration of principles with Egypt that would permit the deadlocked political talks to resume.

Healey studies Liberal demands

BY RUPERT CORNWELL, LOBBY STAFF

MR. DENIS HEALEY is expected this week to give his considered reply to the Liberals' Budget demands, centring on a £4bn. cut in direct taxes.

The Liberal proposals, which have been exhaustively and carefully drawn up by Mr. John Pardoe, the party's economics spokesman, are due to be formally published on March 21, three weeks before the Chancellor's Budget statement in the Commons.

Last night the Liberals were insisting that the Government would have to go a good way towards meeting their wishes, or face the alternative of seeing them vote with the Conservatives, with whose own fiscal policies they have a fair amount in common.

It is generally expected that an accommodation will be reached. But if one is not, and the Liberals carry out their threat, the Government would be left with the chaotic prospect of trying to carry the Finance Bill, embodying the Budget proposals, without a Commons majority, and finding itself forced into an early General Election.

The Pardoe package calls for £4bn. income tax relief—made up of higher allowances and a cut in the basic rate from 34 to 30 per cent.—to be partly offset by £2bn. of extra indirect taxes.

These, it is understood, would comprise 4p on a packet of cigarettes, higher duty on alcohol, a uniform value-added tax rate of 10 per cent., and a 1.5 per cent. payroll tax to be borne by industry and costing some £1bn.

When their 13 MPs meet to endorse the demands the point on which the Liberals above all want satisfaction is the lower standard rate. They feel that while other measures could be attributed to some other pressure group, that cut would be seen as the first step towards the party's long-term goal of a basic income tax rate of only 20p in the pound.

Ministers still doubt whether the Liberals will press their case to the limit for fear of forcing an early election and their possible annihilation. They especially dislike the idea of a major indirect tax boost because of its impact on the retail price index. And in the case of a payroll tax, the risk is additional unemployment.

Liberals last night, however, were adamant that the party means business. Mr. Pardoe, it is claimed, has secured wide support in industry for his views, despite the payroll tax, and would be certain of the backing of his colleagues.

They were also letting it be known that if it came to the crunch the party would not mind precipitating an early election on the issue of economic policy, where Liberal views would be both popular and well understood in the country.

In the past, much of the Liberal's problem has stemmed from the fact that the policies dear to their hearts such as proportional representation and direct elections to Europe have been of scant electoral appeal.

New moves to steady currencies

BY MICHAEL BLANDEN

THE FOREIGN exchange markets will be unsettled this morning after the French elections and in anticipation of new moves to help the dollar expected to be announced later to-day.

A determined effort to stabilise currency markets is expected after a round of international discussions over the past few days.

These were completed at the week-end with the meeting in Bonn of Mr. James Callaghan with Herr Helmut Schmidt, West German Chancellor, and telephone conversations between senior German and U.S. officials.

Herr Schmidt promised yesterday that the U.S. and West Germany were "setting new, major efforts in motion to normalise exchange rates," and indicated that they would be announced after the markets opened to-day.

It is thought in the market that the measures could include a further extension of concerted support operations for the U.S. currency, making use of large central bank swap arrangements to provide necessary funds.

There are hopes that agreement could be closer, at least within the EEC, on concerted action to boost economic recovery, with the possibility also that the week-end talks might have helped to improve the recently strained relations between the U.S. and Germany.

Last Thursday, Herr Schmidt spoke strongly in an effort to improve these relations, stating that he was sure the Carter administration would succeed in maintaining international confidence in the dollar

THE DOLLAR LAST WEEK	
Friday	Thursday
DM2.0575	DM2.0302½
Sw.Fr.1.95	Sw.Fr.1.96
Y235.95	Y235
Pound against the dollar	
$1.9025	$1.9270

This move brought some improvement in the dollar on Friday in generally thin exchange market trading.

Further talks will be held among the leading central bankers at the Basle meeting taking place over the next two days. It is expected that the currency problems will be among main topics for discussion there, together with the moves made last week by the Swiss authorities to stem speculative inflows.

Adrian Dicks writes from Bonn: Herr Schmidt said in a radio interview that although to-day's move would be "for the present" a bilateral action, it has been prepared in consultation with other countries including Britain and France.

German officials still were declining to give details over the week-end of the new measures, beyond the general point that they would involve stronger, concerted intervention on foreign exchange markets.

Eurobonds, Page 34

Vehicle imports up

BY TERRY DODSWORTH

IMPORTED commercial vehicles, aided by strong sales of light Japanese vans and pickups, captured a record 22.1 per cent. of the British market last month. This was 2 per cent. higher than the previous record in September last year, and compares with a level of 16.5 per cent. for the whole of last year and 14.1 per cent in 1976.

The figures, published by the Society of Motor Manufacturers and Traders yesterday, show importers' sales rose by 56 per cent. last month to 4,301 units compared with February last year.

They also indicate that imports are set on a steadily rising trend, as Continental and Japanese manufacturers drive a wedge into the British market by taking advantage of a rise in sales which has not been matched by production increases in the U.K.

The improvement in the position of the Japanese importers has been particularly striking, and indicates why the British Government has been so determined to bring commercial vehicles within the scope of the new agreement with the Japanese Government on the control of export shipments.

In February sales of Japanese-produced light commercial vehicles—car-derived vans, pick-ups and light vans such as the small Honda—rose 165 per cent.

In the first two months of this year they rose 128 per cent. to 3,483 units, as Japanese importers have sought to compensate for some of the loss in their car sales caused by voluntary restrictions last year

By contrast, overall imports, including the Japanese share, rose 54 per cent. in the first two months of the year. Although the vast majority of importers registered a gain in sales on last year, none of them achieved the kind of expansion scored by Datsun, which increased its sales from 489 units to 1,436.

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Firemen at the gutted bus.

THE AFTERMATH OF THE GUERILLA RAID

Israel's biggest ever manhunt ends

BY DAVID LENNON

TEL AVIV, March 12.

THE BIGGEST manhunt in Israel's history was called off to-night when it was discovered that no guerilla had escaped from Saturday night's bloody battle north of Tel Aviv.

After more than 24 hours of intensive searches and the first ever curfew on Jewish residents of Israel, the army announced that it had identified three of the badly burnt bodies in the hijacked bus as those of guerillas.

Thus ended the worst ever Palestinian attack on Israel in which 37 people were killed and 82 injured. Among the dead were nine guerillas, including one woman. Two others, one of them also a woman, were captured in last night's fierce fight.

One Israeli policeman was killed and nine injured in the battle, which also claimed the lives of many civilian Israeli men, women and children.

It was thought originally that at least three members of the Fatah gang had escaped under cover of darkness. Because of this a massive search was launched and a curfew imposed on the area of the attack.

The raid from the sea by the 11 Palestinians ended when the bus they had hi-jacked south of Haifa was left a charred wreck, with 25 severely burnt bodies inside.

The Al Fatah group included two women, one of whom was killed in the shoot-out beside a country club just north of Tel Aviv. The dead woman and five other members of the group were taken to Tel Aviv hospitals last night, along with their Israeli victims.

A curfew was imposed at 3 a.m. this morning on a 400 square km. area north-east of Tel Aviv, to make it easier to spot the terrorists if they move about.

Questions were being asked to-day about the security forces' reaction to the raid, and why they fired on the busload of civilian hostages without making any attempt to save them. Recriminations were also being voiced over the fact that the guerillas were able to drive a hijacked bus over 30 miles down Israel's busiest highway before being stopped.

The attack started about 4 p.m. on Saturday, when the terrorists group landed in two rubber dinghies near the kibbutz Ma'agen Michael, 22 miles south of Haifa. The group headed for the main highway, where they ambushed passing cars, and commandered a white Mercedes.

Later they attacked a bus carrying members of the Egged Bus Co-operative and their families on a day outing. Some of the passengers were hit when the bus was fired on. After boarding it, the guerillas ordered the bus driver to head for Tel Aviv, some 27 miles to the south. On the way, they stopped another bus, forced its passengers on to the hijacked bus, and set off with 70 hostages on a wild drive to the outskirts of Tel Aviv.

They also stopped a taxi and ordered its six passengers to board the bus. The taxi driver managed to escape.

During the run south, the heavily armed Palestinians used bazookas, hand grenades and automatic weapons to burst through two hastily constructed roadblocks. They also fired indiscriminately on passing vehicles.

The deadly journey was halted at the country club junction, just a few kilometres north of the city. Two police cars blocked the road at this point after hearing radio reports of the bus's progress. Seeing the roadblock, the bus slewed to a halt and a fierce battle developed as police and soldiers exchanged fire with the terrorists for more than 10 minutes.

Suddenly the guerillas and then the passengers began to crawl from the bus as it started to explode—apparently from bombs placed throughout the vehicle. While it burned fiercely, the guerillas continued to fight from the roadside.

It was decided to impose the curfew to prevent the possibility of more civilians being taken hostage, and to make it easier to spot the Palestinians if they moved about. More than 300,000 Israelis were confined to their homes in an area stretching from the northern suburbs of Tel Aviv some 25 miles north and 5 miles east of the coast. This is the first time a curfew has been imposed on Jewish areas of Israel since the end of the British mandate 30 years ago. It was lifted for three hours this afternoon.

The roads into the occupied West Bank and Gaza Strip were also sealed off to prevent the attackers reaching a sympathetic population who might hide them. The bridges on the Jordan were also closed to all traffic.

The guards on over 1,000 schools and public buildings were intensified. Businesses, factories and farms were affected as some 40,000 Arabs from the occupied territories failed to turn up for work. The curfew also prevented Israelis from reaching their workplaces in the Tel Aviv area.

It was announced to-day that the Fatah group had intended to capture an hotel in Tel Aviv, take hostages and demand the release of guerillas in Israeli jails. The attackers were carrying with them leaflets in Arabic and Hebrew.

This is the third major attack launched against Israel from the sea. The last attack was three years ago, on March 6 1975. Eleven Israelis and seven members of Fatah died after the guerillas captured the Savoy Hotel in Tel Aviv. One other attempt failed over a year ago, when the attackers lost their nerve and surrendered as soon as they landed on Tel Aviv beach.

Guerillas elated but anticipating reprisals

BY IHSAN HIJAZI

BEIRUT, March 12.

PALESTINIAN guerillas in Southern Lebanon were in a state of "red alert" to-day in anticipation of what they expect to be a massive Israeli retaliation to yesterday's commando raid on two Israeli buses on the highway between Tel Aviv and Haifa.

The main guerilla group, Al Fatah, which has claimed responsibility for the raid, declared last night that the guerillas had killed 33 Israelis, mostly soldiers, and destroyed two lorries which were carrying the troops. Al Fatah insisted that the gunmen who carried out the operation belonged to units based inside Israel and the occupied Arab territory. The Israelis said that the guerillas arrived from the sea by rubber boats.

Despite concern over anticipated Israeli reprisals, an atmosphere of elation prevailed in Palestinian quarters here over the successful commando penetration of Israel proper. The view in the guerilla movement is that the success is bound to have had an adverse effect on President Sadat's Middle East initiative and on "efforts to exclude the Palestinians from a settlement."

The raid was directed at the Sadat initiative, Israel and the U.S. according to Palestinian political sources. They said that the timing deliberately preceded the talks Mr. Menahem Begin, the Israeli Premier, was to have held in Washington this week with President Jimmy Carter.

The Palestinians did not rule out the possibility of Mr. Begin hardening his position on retaining the West Bank and the Gaza Strip, but said that he had never intended to give them up anyway.

In one of its communiques, Al Fatah said that the raid was the beginning of escalating resistance inside "Occupied Palestine." It followed a series of explosions in the occupied territory and the assassination of a number of Arabs accused of collaborating with the Israeli authorities.

Informed sources attached a special importance to the fact that the new raid has been mounted by Al Fatah, the mainstream guerilla organisation which is often described as the most moderate of the Palestinian groups. It is also headed by Mr. Yassir Arafat, the Chairman of the PLO.

Mr. Arafat interrupted a visit to East Germany and returned to Beirut last night to be close to the scene. He had gone to East Berlin after holding talks in Moscow with President Brezhnev and other Soviet leaders.

Observers said that Soviet support for the PLO has strengthened its position and injected additional confidence in its ranks.

Twenty-five-year-old Dalal al Mughrabi who, according to the PLO, lead the raid and was killed in the fighting.

Al Fatah is known to have a highly-trained unit of frogmen and women, who are said to be equipped with small Soviet-made armed boats.

The raid yesterday was carried out by three units, which included at least two women. They belonged to the so-called "Deir Yassin group," named after the massacre of Palestinian Arabs at the village of Deir Yassin, near Jerusalem, in April, 1948. Yesterday's raid itself was named after Kamal Advan, one of three guerilla leaders killed in an Israeli raid in Beirut in April, 1973.

"I hope that Israel will calculate its further steps before taking any action that may obstruct the peace efforts," Dr. Boutros Ghali, Egyptian Minister of State for Foreign Affairs, told Reuter in Cairo. His view was that the bloody new explosion of commando militancy above all demonstrated the need for Mr. Sadat's initiative to succeed, and to result in a Middle East settlement which would give the Palestinians the self-determination and homeland demanded for them by the Arabs. The latest violence "shows clearly the need to establish a homeland for the Palestinians," Dr. Ghali said.

A triple shadow over peace efforts

By Roger Matthews in Beirut

THE ATTACK by Palestinian guerillas in Israel yesterday has cast a triple shadow over efforts to achieve a comprehensive Middle East peace agreement. First, it poses the danger of a wider conflict, if Israel opts for heavy retaliation against Palestinians living in Lebanon. Syria now has an estimated 30,000 troops stationed there as the major element of the Arab joint peace-keeping force. Secondly, it injects another potentially explosive factor into the highly delicate Lebanese situation, where fighting is being only barely contained. Thirdly, it weakens the already enfeebled initiative launched by President Sadat of Egypt last November.

The timing and the weight of the assault by Al Fatah, the backbone of the Palestine Liberation Organisation (PLO) headed by Mr. Yassir Arafat, were clearly designed both as a slap in the face for Mr. Sadat and a sharp provocation for Mr. Menahem Begin, the Israeli Prime Minister, on the eve of his now postponed visit to Washington.

Dr. Boutros Ghaly, Egypt's Minister of State for Foreign Affairs, offered the hope last night that the guerilla action would not be allowed to influence the peace process, but there can be little doubt in Cairo that Mr. Begin will use the killings to reinforce his arguments against permitting any form of Palestinian self-determination on the occupied West Bank of the River Jordan and the Gaza area.

Thus, the issue which already has proved the most intractable of those separating Israel and Egypt appears likely to offer even less chance of solution. It also seems to demonstrate that the more moderate elements within the PLO, perhaps including Mr. Arafat himself, have lost ground to those who insisted that only through the armed revolutionary struggle could there be any chance of realising their ambitions.

The tragedy from Mr. Sadat's point of view is that although his peace efforts were in deep trouble they had succeeded in demonstrating the inflexibility of the Israeli leadership and were beginning to push a widening wedge between Jerusalem and Washington. Despite the strains and stresses within Mr. Begin's Cabinet, especially over the question of the Jewish settlements, Israel may now be able to take the initiative and can perhaps start winning back some of the ground it was being forced to concede to Mr Sadat in the battle for U.S. public opinion.

That may be a longer-term threat to Mr Sadat's domestic position but does not begin to compare with the tension in Lebanon to-day. Extra Syrian troops are out patrolling the streets of Beirut; there was considerable military activity this morning around the main Palestinian camp on the route from the airport to the centre of the town.

The question being asked to-day is whether the Syrians would come to the aid of the Palestinians in the south if Israel launched a massive incursion, and whether their fighter aircraft or missiles would attempt to defend Palestinian camps further north.

In such a situation, the more extremist right-wing Christian forces who are itching to do battle with all or any of the country's "unwelcome guests" might seize the opportunity to launch a fresh assault on the Palestinians in the capital.

For President Hafez al-Assad of Syria, celebrating eight years in power, the moment is fraught with difficulties. These can only increase should Mr. Begin decide that the Palestinian issue can be solved only by force and not by negotian He is clearly ill-prepared for a serious clash with the Israelis, if only because without Egyptian support, the result would not long be in doubt.

Somali irregulars will fight on in the Ogaden

BY JAMES BUXTON

MOGADISHU, March 12.

BOTH WINGS of the Somali guerilla movement operating in Ethiopia say they will continue fighting, in spite of the withdrawal of regular Somali troops.

The Western Somali Liberation Front, which operates in the Ogaden region, said yesterday there had been "hundreds of thousands of civilian casualties" at the hands of the advancing forces and "thousands" had to flee. Refugees were pouring into Somalia.

These claims could not be verified with official or other sources here in the capital. Diplomatic sources with access to military information think the Ethiopian forces, believed to be spearheaded by Cuban troops, are advancing rapidly along the roads of the Ogaden, meeting little opposition.

In some areas, however, isolated pockets of Somali troops are having to fight to get out, the sources believe. Somali troops had penetrated far into the Ethiopian provinces of Bale and Sidamo to the south of Addis Ababa and have hundreds of miles to retreat.

Somalia has so far made no public response to Ethiopia's reported demands that it should renounce its territorial claims on Ethiopia, Kenya and Djibouti and withdraw all its regular troops before there can be a ceasefire.

Reuter reports from Nairobi that according to Addis Ababa Radio Ethiopian forces have recaptured nearly the whole of the vital railyway between Addis Ababa and the Red Sea republic of Djibouti. The Ethiopians moved about 66 per cent. of their exports and imports on the 500-mile line before it was cut in several places by Somali guerillas.

Reuter adds from Moscow: The Soviet Union signalled to-day it would not agree to withdrawal of its own and Cuban forces from Ethiopia as urged by the U.S. in return for the departure of Somali forces from the Ogaden desert.

It also indicated that it would not support another U.S. proposal for observers to be sent from neutral countries to monitor a ceasefire between Ethiopian and Somali forces in the contested region.

A report by the official Tass news agency quoted the Ethiopian Foreign Ministry as rejecting both proposals, which official sources in Washington have said were being accepted by the Russians.

The report said Ethiopia "is resolutely rejecting the attempts by the U.S. Government and its allies to interfere in the solution of matters which fall within Ethiopia's sovereignty."

Foreign observers said the publication of the statement in this form by the official agency was a clear sign that the Soviet Union itself was in full agreement with the Ethiopian viewpoint.

Jurek Martin adds from Washington: The U.S. believes that any Somali attempt to continue fighting in the Ogaden desert using guerilla forces in place of regular troops would be a "very dangerous" development.

It is felt here that with Ethiopian troops poised on the Somali border, this would test the Ethiopian and Russian commitment not to cross into Somali territory and would make much more difficult the withdrawal of a substantial portion of the foreign forces now assisting the Government in Addis Ababa.

Yesterday Mr. Cyrus Vance, the Secretary of State, met Mr. Dobrynin, the Russian Ambassador in the U.S. in the wake of the Russian message that there would be a significant reduction in the 12,000 Cuban troop strength in Ethiopia if fighting stopped in the Ogaden. The Soviet Union has also told the U.S. that it would agree to the stationing of international observers in the Ogaden to ensure that the peace was kept.

Editorial comment Page 14

Smith refuses to reopen talks on conditions of settlement

BY TONY HAWKINS

SALISBURY, March 12.

ANY DECISION to attend the new Rhodesian constitutional conference suggested last week by Dr. Owen and President Carter would have to be taken jointly by all four leaders who signed the Salisbury agreement, Mr. Ian Smith, the Rhodesian Premier, said to-night.

In a nationwide radio and TV address, in which he strongly attacked the British Government, he said "I believe that the four of us would have to be satisfied that the purpose would not be to reopen discussion on matters on which we had already reached agreement.

"That would be a fruitless waste of valuable time which we would prefer to devote to implementing our agreement," he added.

Mr. Smith said that the prime task of the transitional government which he hoped would be established in the next week or two would be to bring about a de-escalation in the war leading to a ceasefire.

The country must expect another effort to intensify the "terrorist war," he said. "Let no one be in any doubt that our security forces are perfectly capable of dealing with such intensification and that they will continue to hit back at the aggressors as effetively as they have done in the past."

This comment is taken to mean that Rhodesia will continue to use the policy of hot pursuit into Mozambique, Botswana and Zambia when and if necessary despite the presence of a black majority in the interim government.

Mr. Smith warned Rhodesians not to expect anything from Britain and the U.S.—which had learned nothing from Geneva and Malta—in the short term at any rate.

Jurek Martin adds from Washington: Mr. Andrew Young, U.S. Ambassador to the United Nations, conceded to-day that the attempt to bring all black Rhodesian factions together in a settlement conference was "a real long shot."

But in a television interview he argued that such efforts had to be made, both as a means of keeping fighting under control and to avoid the intrusion of other foreign presences (presumably Cuban and Russian) in the arena.

Mr. Young also said that the U.S. would probably have no alternative but to veto any United Nations Security Council resolution that amounted to "a strong condemnation" of the internal settlement reached in Salisbury ten days ago. Such an action would be necessary, he maintained, if for no other reason than that the U.S. did not want to prejudge the ultimate form of a Rhodesian settlement.

He also repeated his concern that the emergence of race as a hot political issue in Britain might make the British Government espouse policies for Africa that were not in the long-term interests of either Britain or the U.S.

He asserted that he thought that the British Government "is standing with us" over current policy, but was disturbed that, with the U.K. economy now less a cause of domestic debate, that the attention now being given to race might prompt a new surge in British isolationism. "It is very difficult," he said, "to have an intelligent discussion of Rhodesia in Britain in an atmosphere where race is a volatile issue."

Militants stone Zulu chief at funeral

By Quentin Peel

JOHANNESBURG, March 12.

CHIEF GATSHA Buthelezi, leader of the only legal mass movement of blacks in South Africa, suffered a serious political setback at the week-end in his bid to forge a major anti-apartheid alliance, when he was stoned by black militants at the funeral of Mr. Robert Sobukwe, former leader of the Pan Africanists Congress.

The incident happened only two days before the congress in Cape Town of Chief Buthelezi's predominantly Zulu Inkatha movement, the Coloured Labour Party, and the Indian Reform Party takes place. Its aim is to cement the alliance between the three ethnically based groups into the most significant extra-Parliamentary and non-white opposition within South Africa to the Government.

The stoning of Chief Buthelezi, which forced him to leave the funeral, along with Mr. Sonny Leon and the Rev. Alan Hendrickse, leaders of the CLP, is seen as a vivid public demonstration of the opposition among young urban blacks to any leader who works within the system of apartheid.

Peace hopes in coal strike

BY STEWART FLEMING

NEW YORK, March 12.

STRIKING U.S. coal miners are due to start a court-ordered return to work this week, amid reports that negotiating teams are making progress towards resolving the 96-day dispute that has shut down half the nation's coal production.

Members of both the United Mine Workers (UMW) union and the Bituminous Coal Operators Association's (BCOA) bargaining teams are reporting movement towards a new agreement in the contract talks in Washington.

According to union spokesmen, one reason for the better atmosphere at the bargaining table is that the man who is now heading the companies' bargaining team, Mr. Nicholas Camicia, is being "more realistic."

It is clear from remarks that they are making that union representatives feel that Mr. Camacia, himself a former miner and union member and now chairman of one of the largest companies, has a better understanding of the miners' stance than some other management representatives.

Both sides, however, are under pressure to resolve the dispute because of a multiplicity of threats to their own interests in the event of another failure. This could lead to local bargaining which union and management agree could be both chaotic and expensive. It would also probably signal the end of a national wage contract in the unionised sector of the industry and perhaps bring about a fatal weakening of the union.

While the pressures are heavy, however, a major problem facing the negotiating teams will be to arrive at an agreement which will win the approval of the 160,000 rank-and-file miners when they vote on it. The miners have already rejected one settlement endorsed by negotiators for both sides.

This week-end miners' leaders are being served with court orders under the 80-day cooling-off period provisions of the Taft-Hartley Act. Under the order, they are required to order miners back to work while the renewed negotiations begin.

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First round votes: Communist Party leader Georges Marchais (left) and Jacques Chirac, Mayor of Paris and leader of the Gaullist Rassemblement pour la Republic (RPR) cast their ballots.

Voting proceeds quietly in the centre of Paris

BY DAVID WHITE — PARIS, March 12.

"ELECTIONS—this sword of Damocles . . ." This cryptic hand-written message occupied one of the specially-built campaign hoardings outside a Paris polling station to-day—to be precise, a girls' school gym slap in the middle of Pigalle.

The passing male tourist could be forgiven for missing the drama of the occasion. Never, even on other Sundays, is Paris so quiet as on election days. Some early-morning voters have had to queue up, but the level of excitement is roughly that of a church at collection time.

This particular seat—for a constituency covering the area between Pigalle and Place Clichy—is the object of a needle match between M. Claude Estier, one of the leading lights of the Socialist Party, and M. Roger Chinaud, the Giscardian who narrowly beat him five years ago. It is a significant fight in a city with no incumbent Socialist deputies—a city which, in spite of its revolutionary tradition, in spite of the Commune, in spite of May 1968 and all that, and in spite of a Communist foothold on its outer edges, traditionally votes to the Right.

It is also, to many a bewildering one. Contesting parties, each one allocated its hoarding space, number no fewer than 17. Even the Latin Quarter's intellectual resources cannot drum up more than a dozen at a time, but here one can understand why the French need two rounds of elections to sor tit all out. There are Right-wing Gaullists, Left-wing Gaullists, feminists, ecologists, Communists, the National Front, Workers' Struggle, the Com-

THE FRENCH ELECTIONS

munist Revolutionary League, the Workers' and Peasant's Union for Proletarian Democracy, the European Workers' Party (campaigning on "an economy based on thermonuclear fusion"), the New Forces Party the Union for the Presidential Majority, the Rally for Public Service Users and Taxpayers and, in an area devoted to the rites of heterosexuality, the "Gay" Party Difference Homosexuelle.

Each candidate has his name and that of his back-up printed on the ready-made voting slips which line the tables of the polling station in separate piles, ready for the voters, somewhat unsecretly, to pick up and then place secretly in the ballot box. The Homosexuals are the exception, recommending their supporters to make their own voting slips—"it's more fun, and it's cheaper."

The Homosexuals, whose propaganda takes the form of light-hearted strip cartoons, share the honours with the Ecologists for the best election posters. Paris Ecology '78, which has strong backing in the Latin Quarter, displays colourful pictures of a Paris running on windmill-generated electricity. A figure in the bottom of the picture is proposing that the Left's "Common Programme" and President Giscard's work of political wisdom "Democratoe Francaise" be collected up and recycled, a sentiment which a lot of Parisians might share.

Not that anyone, in these televised days, pays much heed to the miles of election posters. It was on this assumption that a student I spoke to at the beginning of the campaign was putting up posters for the Gaullist RPR party. He was a card-carrying Communist, he said, but the Gaullists paid for people to stick posters and the Communists didn't. So he would advertise the Gaullists during the day, go to get his pay, and come back and advertise the Communists in the evening.

In Pigalle, one of the propaganda spaces is occupied by a notice asking people if, should they wish to relieve themselves, they would mind doing so against the trees on the boulevard and not there.

To-day's Election Part One in fact only narrowly managed to keep its audiences' attention. The President's appeal to the French people's "good sense" was heavily rivalled in the Sunday papers by the death of singer Claude Francois, one of the darlings of French womanhood, who on the eve of the election was electrocuted while trying to change a bathroom light bulb.

Andreotti switches key ministers in new administration

BY PAUL BETTS — ROME, March 12.

A NEW Christian Democrat minority Government was formed here this week-end, the first in 30 years to be supported directly in Parliament by the powerful Italian Communist Party.

The new Government—Italy's 40th since the fall of Fascism—is the fourth led by the Christian Democrat leader, Sig. Giulio Andreotti, who submitted his list of ministers to President Giovanni Leone last night, so ending the country's two-month-old political crisis.

Sig. Andreotti's new administration is substantially similar to his previous one.

The Prime Minister has included only two new ministers in his 21-man Cabinet. They are Sig. Vincenzo Scotti, Under-Secretary for the Budget in his previous governments who will take over the Labour portfolio, and Sig. Carlo Pastorino, also a former Unrer-Secretary, who becomes Minister of Tourism.

Two Ministers in the previous cabinet have been dropped: Sig. Vito Lattanzio, Defence Minister at the time of the controversial escape last summer of the Nazi war criminal, and Herbert Kappler, and the former Health Minister, Sig. Dal Falco.

Although he did not reduce the numbers of Ministers, nor appoint some technocrats sympathetic to the Left to cabinet posts, as he originally had intended, the Premier effected a significant reshuffle in a number of key ministeries.

Sig. Filippo Pandolfi, in what is widely regarded as a "promotion," moves from Finances to the Treasury, while the former Treasury Minister, Sig. Gaetano Stammati, goes to Public Works.

To make way for Sig. Scotti, Signora Tina Anselmi, the only woman in the Cabinet, takes over the Health portfolio, while the former Minister of Cultural Affairs, Sig. Mario Pedini, moves to the difficult Education Ministry, replacing Sig. Franco Malfatti, the new Finance Minister.

Last effort to halt W. German metal strike

BY ADRIAN DICKS — BONN, March 12.

WEST German engineering employers and leaders of IG-Metall, representing some 2.5m. workers in the industry, were still meeting in Frankfurt to-night in a last-ditch attempt to head off the series of strikes called by the union for next Wednesday in support of its 8 per cent. pay claim.

After a "summit" meeting of the top leaders of the two sides on Saturday, separate sessions for each of the two largest wage-bargaining regions were set up. In the bigger of the two, North Rhine-Westphalia, it may prove relatively easier to arrive at a compromise on wages, provided the employers are prepared to budge from the "final offer" of 3 per cent. they have been insisting is the most the industry can afford.

In North Wuerttemberg-North Baden, where IG-Metall has called selected strikes from next Wednesday, the two sides' starting figures for wages are much the same, but the position is complicated by the union's determination to win guarantees for the security of members' jobs and job classifications in cases of shop floor rationalisation.

Bonn considers aid for EEC applicants

By Reginald Dale

THE WEST GERMAN Government is actively considering plans for a new EEC aid fund for the three Mediterranean countries that have applied to join the Community—Greece, Portugal and Spain. The aim would be to prepare the three candidates for EEC entry by helping them to narrow the wide gap between their economies and those of the existing member states.

The proposal has the personal backing of Herr Helmut Schmidt, the West German Chancellor, but there is still considerable debate in Bonn as to how it should be launched. Those members of the Social Democratic Party (SPD) who still have reservations about individual West German foreign policy initiatives would prefer the proposal to emerge as a broader Community scheme, perhaps under the sponsorship of the European Commission.

As things now stand, a sum of DM300m. (£77m.) has been earmarked for aid to the three Mediterranean candidates in this year's West German development budget. These funds could provide the basis for a new Community fund to which all the other members would be invited to contribute.

One idea under discussion in Bonn is the creation of a 12-nation "solidarity fund," to be jointly administered by the Nine and the three candidates—without waiting for them to become full members.

Initial British reactions to the scheme are not so far considered very encouraging. Commission officials see some merits in the plan's objectives. They would want to be sure, however, that the funds were not used for investment in sensitive areas that would compound industrial problems in the present member states.

Government election victory in Malaysian state

BY WONG SULONG — KUALA LUMPUR, March 12.

MALAYSIA'S ruling United Malay's national organisation, UMNO, to-day won an overwhelming victory in the Kelantan elections, ending 18 years of opposition rule in this north-eastern state, bordering on Thailand.

The extent of the party's sweep, surprised even UMNO leaders, and they are now likely to call for national elections soon, although they are not due until August next year.

Umno and its partners, Berjasa and the Malaysian Chinese Association, captured all but two of the 36 seats in the state, inflicting a devastating blow to its arch-rival, the Party Islam, in its own home ground. Umno itself, won 22 of the 23 seats it contested.

To-day's victory is as dramatic and as significant as the 1959 elections in which the Party Islam suddenly emerged on the national scene by capturing all but two seats in Kelantan.

Umno's gamble of exploiting the split in Party Islam, imposing emergency rule in Kelantan, and encouraging Party Islam dissidents to form Berjasa to split the votes, paid off handsomely.

Party Islam received 78,514 votes, representing almost a third of the votes cast, but won only two seats.

On the other hand, Umno and the NCA won their 23 seats with 88,671 votes, and Berjasa took 11 seats with 64,680 votes.

The new Kelantan chief minister will be Datuk Mohammed Yaacob, who resigned as federal minister to contest, and who won by surprising narrow margin of 188 votes.

Umno leaders to-day promised they would implement the massive economic development programme which they spelt out in their manifesto, to Kelantan, which is one of the poorest Malaysian states.

Mrs. Bhutto placed under house arrest in Lahore

BY SIMON HENDERSON — ISLAMABAD, March 12.

THE Begum Nusrat Bhutto, the wife of Pakistan's detained former Prime Minister, Mr. Z. A. Bhutto, was put under house arrest in Lahore this evening after having been accused by the military authorities of making provocative statements and instigating street demonstrations.

She has been leading the former governing People's Party since her husband was arrested last September and yesterday issued pleas to world opinion to protest against injustices towards her husband. A party newspaper which tried to print the story was raided by police and only appeared with several blank columns

Mrs. Bhutto will have to stay in her house in a suburb of Lahore for 15 days. Unlike previous periods of house arrest since the military government of General Zia ul-Haq took over last July, she will not be allowed visitors without permission. Her 24-year-old daughter, Benazir, who has been named as People's Party leader if her mother is disqualified from politics, has been under restriction in Karachi for the past two weeks.

Threat to Turkey-Greece links

By David Tonge

MONTREUX, March 12.

A SERIOUS crisis in Turkish-American relations threatens to obstruct development of the detente between Greece and Turkey, the first signs of which were appearing at the end of the two-day summit here between the countries' Prime Ministers.

Their seven hours of private talks were described by both sides as extremely successful within the limited framework set—namely, to allow the two leaders to meet and assess each other.

Mr. Bulent Ecevit, Turkey's Prime Minister, says that in the next two or three weeks high-level delegations from the two countries will meet. These will take up the issues of the Aegean and both countries' minorities which were discussed in general lines by Mr. Ecevit and his Greek counterpart, Mr. Constantine Karamanlis.

Mr. Ecevit said his meetings had been successful "despite the United States." He described the attitude of the United States as "far from constructive," explaining that he has told the U.S. administration that he may have to revise many of his policies as he no longer believes that the U.S. Congress alone is responsible for the deterioration of Turkish-American relations.

His anger followed a statement last week by Mr. Cyrus Vance, the U.S. Secretary of State, that the administration would wait to see the results of the Montreux summit and the proposals on Cyprus due to be tabled by the Turkish side before presenting the U.S.-Turkish defence co-operation agreement to Congress for ratification.

This apparently innocent statement is seen by Mr. Ecevit as encouraging the Greek lobby's attempts to bring pressure on Turkey and as making the Greek Cypriots liable to reject any proposals by the Turkish Cypriots, however reasonable. He thus believes this will obstruct negotiations between the two communities.

WORLD TRADE NEWS

EEC delegation leaves for Tokyo trade talks

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, March 12.

A NEW high-level EEC delegation leaves Brussels for Tokyo to-morrow in a further effort to persuade the Japanese Government to take measures which will bring about a rapid reduction in its trade surplus with the Community, estimated at more than $5bn. last year.

The mission will be led by Sir Roy Denman, director-general of the EEC Commission's external affairs department. Unless it is rebuffed outright by the Japanese, it will be followed by a visit to Tokyo in ten days' time by Herr Wilhelm Haferkamp, the External Affairs Commissioner.

The Commission hopes that Japan will agree to publish a joint statement setting out the main points of contention with the EEC, similar to the one issued last January by Mr. Robert Strauss, President Carter's Special Trade Representative, and Mr. Nobuhiko Ushiba, Japan's Minister for External Economic Affairs.

If such a statement can be agreed upon it will be presented to EEC Heads of Government, who have called on Japan to provide tangible evidence that it is taking effective measures to correct its trade surplus by the time they hold their next European Council "summit" meeting in Copenhagen on April 7 and 8.

This week's EEC mission is expected to renew a number of demands already familiar to its Japanese hosts for more energetic action by Tokyo to improve access for European exports on the Japanese market and for reflationary policies which will ensure a sustained high level of economic growth.

The EEC will insist that Japan act immediately to dismantle non-tariff barriers to European exports like the Airbus, processed foods and pharmaceuticals.

The EEC is not satisfied by Japanese arguments that such questions should be dealt with in the multi-lateral trade negotiations in Geneva, because the results of agreements reached in these talks will not start to take effect until 1980.

There is undisguised scepticism in Brussels that the stimulative measures announced so far will produce the 7 per cent. real growth rate forecast by the Japanese Government for this year or that the Government will be able to achieve its stated aim of halving its overall trade surplus to about $6bn. in 1978.

But the chances of being able to persuade Japan to take any large-scale additional measures in the near future to boost their economy are not very promising. The EEC is therefore expected to place much of the emphasis in the talks on trying to get Japan to agree to establish a joint system for regular monitoring of progress made in reducing its trade surplus.

Steel contract likely at Leipzig

BY LESLIE COLITT LEIPZIG, March 12.

THE SPRING East-West trade fair which has just opened here and runs for a week could see the signing of another major contract between East and West Germany. East Germany prefers to finalise important deals at this fair to indicate how vital it regards regular participation by Western companies.

Demag is heading a consortium which has been negotiating with East Germany to build a rolling mill at the Maxhuette steel plant at Unterwellenborn. The value of the project is estimated at well over DM500m. (about £125m.) by industry sources. East Germany is concentrating on high grade and special steels and is interested in paying for as much of the project as possible with products from the new mill.

Some 9,000 exhibitors from 62 countries are taking part at the Leipzig fair and West Germany as in the past is the biggest foreign exhibitor. Nearly half of the exhibitors are East German and 2,100 are said to come from the West.

Nearly 100 British companies are represented with 26 taking part in a joint venture by the British Overseas Trade Board, the Birmingham Chamber of Industry and Commerce and the Scientific Instrument Manufacturers Association.

The spring Leipzig fair concentrates on metallurgy, heavy engineering, agricultural machinery and consumer goods. Although no other East European trade fair attracts so many Western companies, one of the anomalies of Leipzig is that it is also the most difficult place for Western businesmen to get to the East German "end-user" of his product.

East Germany's Communist leader Erich Honecker recently laid down the new line for the country's industrial enterprises, noting that the "foreign trade conditions for our development have undegone a basic change" because of the higher prices East Germany has to pay for energy and raw materials from the Soviet Union and the West.

Herr Honecker said: "Increases in stocks of products which are difficult to sell are no help to us. More than anything else were need more final products for investment, consumption and export. What we urgently need are more saleable export products and products to substitue for imports than are provided for by the plan targets."

An East German economics institute has blamed the West for the export difficulties East Germany and other Comecon countries are having.

The institute says 40 per cent. of the "potential exports" of Comecon to the European Community are subject to quotas and 25 per cent. of East German deliveries to West Germany fall under quotas.

According to the institute the Common Market imposes customs duties of up to 14 per cent. on Comecon machinery and up to 16 per cent. on consumer goods.

Russia seeks easier terms for U.K. plant

BY KEVIN DONE, CHEMICALS CORRESPONDENT

U.K. CONTRACTORS wishing to participate in the multi-billion dollar petrochemical complexes planned by the Soviet Union must be able to offer credit and 100 per cent. buy-back arrangements to cover all costs including interest charges.

According to Mr. Frank Korn, marketing director of Constructors John Brown, the Soviet trend will be towards placing very large contracts with values of several hundred million pounds, leaving it to the suppliers to ensure integration of the entire complex and production at designed output.

In an address to the Society of Chemical Industry he said that for the Tomsk project the USSR had given only the oil specification and overall tonnages for intermediate raw materials and down-stream product plants. The size and exact capacities of plants has been left to the contractors to specify.

Mr. Korn pointed out that barter trade between Eastern Europe and the Middle East oil countries is set to increase in the exchange of machinery for oil.

He warned that compensation trade between East and West Europe, whereby Western contractors build plants in Comecon countries and are paid in product, could very easily flood Western markets and cause additional unemployment, if it is not carefully handled.

Equity investment by Western countries in Socialist countries is not yet acceptable, said Mr. Korn, with the exception of Yugoslavia and to a smaller extent Romania. However, he predicted that the smaller countries of Eastern Europe will follow the example of Yugoslavia because of the need for collateral security for additional loan facilities.

New process claimed

BY OUR CHEMICALS CORRESPONDENT

CdF CHIMIE, the French State-controlled chemicals concern, has evolved a breakthrough process for the manufacture of polyethylene.

The process will need several years of development to prove it commercially viable, but if this work is successful the process advance could have important consequences for lowering costs for plastics materials manufacturers worldwide.

Plastics Industry Europe, the London-based publication, reports in its latest issue that the way has been opened for the production of both low density and high density polyethylene from the same plant.

The CdF discovery has shown that it is possible to use the same catalysts to produce HDPE as those used in the classic high pressure process for LDPE.

CdF still appears, however, to be several years away from using the process for commercial production, and it is unlikely that material could be produced in this way on an economic scale before well into the 1980s.

By then it could face strong competion from the major process advance announced late last year by Union Carbide.

Aid for Dutch exporters

BY CHARLES BATCHELOR AMSTERDAM, March 12.

HOLLAND will spend more than Fls.30m. (£7m.) helping exporters but prospects for the next few years are not bright. Mr. Karel Beyen, State Secretary at the Economics Ministry in charge of export promotion, said Holland must count itself lucky if overseas markets do not shrink any further in the near future.

Mr. Beyen, who was appointed in January to step up Holland's export effort, was speaking in Parliament during the presentation of the Economics Ministry's budget.

The aid will go to subsidise exporters at trade fairs and exhibitions. Exploratory visits to new markets will also be assisted

VENEZUELAN TRADE

Davy's Japanese link

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE INTERNATIONAL group headed by Britain's Davy Ashmore International bidding for the $2bn. Zulia steelworks complex in Venezuela has made a significant innovation in international contracting. For the first time a Japanese company has moved outside a purely national consortium when bidding for a steelworks.

The Japanese presence takes the form of Mitsubishi Corporation and Mitsubishi Bank. They are in the group because the customer, the Venezuelan Government, gave Davy a clear indication that it would like to see some Japanese involvement in the project.

When negotiations started two and a-half years ago, Davy and its financial partner, Morgan Grenfell, maintained they could handle everything involved. Morgan Grenfell insisted it could find the finance. Davy said it could locate all the materials and even labour required. "We would have been willing to airlift 5,000 people from Europe for the job," said Mr. Arthur Whiting, Davy's managing director.

But the scale of the project is such that it makes more sense for the load—engineering and financial—to be shared between several countries. In any case, the cash and the hardware would have had to be sourced from several countries even if Davy and Morgan Grenfell had been solely responsible.

If the group Davy has gathered together does get the contract it will involve between £200m. and £250m. of steelworks hardware orders for the U.S. Britain would supply all the steelmaking plant and a big part of the rolling mill complex. Other electrical and mechanical equipment would also be required

Companies which would benefit from this "spin-off" would include Davy's own sister companies, Davy Loewy in Sheffield, Head Wrightson and possibly Herbert Morris, all part of the Davy International group. Whessoe, Redpath Dorman Long (the British Steel offshoot), and GEC would get contracts as well.

Of the other members of the group which has tendered with Davy for the Zulia contract, the Japanese could expect orders for £200m. to £225m. of engineering products and the Germans and French £100m. to £150m. each. This would still leave a good deal of business to be argued about among the partners and possible further orders for the U.K.

Davy put together its group last autumn and the main point is that it is not a consortium. Each member of the group has some expertise to offer or is providing financial support. In steelworks projects this kind of loosely-linked arrangement can be worked out because if something did go wrong with part of the plant it is a simple matter to identify the supplier.

Davy has joined up with CEC Enterprise, part of the French equivalent of the National Coal Board and which has already carried out some detailed work in Venezuela where the coal source is excellent.

Also in the group is Demag, part of the Mannesmann of West Germany and a company with which Davy has sucessfully worked before in Mexico and Portugal on steelworks projects. Finance would be provided by Deutsche Bank.

Mitsubishi Corporation takes in Nippon Steel among its interests and between them Mannessmann and Nippon have the capacity to produce 85m. tonnes of steel a year, so they have considerable expertise. Apart from that, the international members of the Davy grouping employ 250,000 people, so they have no problems about offering training to the Venezuelans.

And this training would not only be connected with the steelworks complex and the ore receiving facility for some incoming coal. Through the British Council, Davy would help set up centres in Venezuela to train 1,000 carpenters, welders and other skilled craftsmen in short supply in that country.

On the face of it, the British led group should get some benefit from the fact that BSC has the consultancy contract for the Zulia project. This covers the plant lay-out and selection of equipment.

However, the Davy group have eight other competitors which have also put in pre-qualification documents. These explain the abilities of the members of the various groups but so far do not quote any prices.

Of the two other major international groupings, one is made up of Creusot-Loire Enterprises, Banque de Paris et des Pays-Bas, Voest Alpine, Ferrostaal and other partners. The second includes Krupp, Kobe Steel, Koppers France and Technodegro of Venezuela. The remaining hopefuls at the pre-qualification stage were Nippon Kokan, Italimpianti and Italsider, C. Itoh, and a group consisting of Siderbras of Brazil, Kaiser Engineers of the U.S. and a local company, Sade.

In its first stage the Zulia mill will be capable of producing 1.25m. tonnes of liquid steel a year or about 1.15m. tonnes of finished steel out of the mills. Once the contract has been awarded the final financial arrangements and site levelling could be completed in the autumn of this year and the plant would begin to come on stream in 1980.

Davy is able to point to its recent work in Brazil and the fact that last year, with a similar group of international partners it brought on stream on time a 2m.-tonnes-a-year steelworks for Aco Minas Gerais (Acominas).

Contracts

● Shanning International of Hemel Hempstead, Hertfordshire, has won a contract worth £2.5m. to provide a complete package of medical equipment and furnishing for a new hospital in Cairo.

The 300-bed As-Salaam Hospital outside Cairo will cost £24m. and will be built and equipped to the world's highest specifications.

● Fuel Gas and Engineering Services part of BOC international's gases division, has been awarded a £1.56m. contract to supply oxygen and acetylene plant to the new OKPO shipyard being built in the Republic of Korea. The contract is part of a $25m. package, won by Herbert Morris, a Davy International company, against considerable competition from other European countries and the U.S.

● NEI Power Engineering (Parolle), a sector of the recently formed NEI Projects has started work on a contract for the supply of electrical equipment valued at £3.74m. for the Ras Abu Fontas power station in Qatar. This contract is an extension of earlier contracts, valued at approximately £10m., secured under the organisation's former name of Parolle.

● Turner and Newall is to spend a further £1.8m. in addition to the £6m. expansion announced in 1977, on new plant for pipe manufacture in Nigeria. The new investment will finance a diversification project at Turners Building Products (Emene) to build a plant for the manufacture of UPVC pipes.

● A £350,000 marine contract to supply electro hydraulic control equipment to the Japanese shipbuilder NKK (Nippon-Kokan KK, Tokyo) for installation on a chemical carrier to be built at NKK TSU shipyard, has been won by the precision hydraulics division of Automotive Products.

● Shropshire based structural engineers W. H. Smith (Whitchurch) has announced its success in winning a £322,000 Middle East steelwork contract for the supply and delivery of 760 tonnes of steelwork and floor decking which will be going into the 12 storey Samir Almana Development at Doha, Qatar.

Electrical exports rise

BY MAX WILKINSON

EXPORTS OF electronic and electrical equipment from the U.K. rose by 26 per cent. in 1977 over the previous year to more than £3bn.

The increase represents [illegible] per cent. in real terms after discounting the effects of inflation.

Figures issued by the British Electrical and Allied Manufacturers' Association (BEAMA) also show that imports increased by 29 per cent. in the same period.

The total value of exports in 1977 was £3.4bn. compared with £2.7bn. imports. In 1976, imports were £2.5bn. The favourable balance of trade for the sector has therefore risen by 16 per cent. or [illegible] to [illegible] in 1977.

Exports to West European markets rose slightly to 43 per cent. of the total and the share of exports to oil exporting countries rose to 25 per cent.

Dell for talks in India

FINANCIAL TIMES REPORTER

MR. EDMUND Dell, the Secretary of State for Trade, leaves to-day for a six-day visit on which he will be accompanied by three senior British businessmen.

Discussions during Mr. Dell's visit are expected to centre on the "shopping list" of products which India put forward for possible purchase during Mr. Callaghan's visit in January.

It is intended that the talks, to be held largely within the framework of the Indo-British Economic Committee, will further clarify the types of goods, both capital equipment and components, which India intends to buy.

The businessmen accompanying Mr. Dell are Sir Cyril Pitts of ICI, who will be representing the Confederation of British Industry, Sir Michael Parsons of Inchcape and Mr. Michael McWilliams of Standard Chartered Bank.

On a political level, talks with senior Indian Government officials will cover the multilateral trade negotiations in Geneva, the UNCTAD talks on the common fund and India's relations with the EEC.

Pulp plant for Argentina

BY OUR OWN CORRESPONDENT MONTREAL, March 12.

LOANS totalling $57m. by the Federal Canadian Export Development Corporation and several Canadian banks will support the sale of Canadian equipment and engineering services worth $67m. for two pulp and paper projects in Argentina.

SNC-Rust, a joint venture of the SNC Group, Montreal, and Rust Engineering of the U.S. will provide engineering, design and project management for construction of a sulphate pulp and industrial paper mill in the province of Misiones. A loan of $34m. by EDC and the Bank of Montreal will back this contract.

World Economic Indicators

RETAIL PRICE INDICES

	Jan. '78	Dec. '77	Nov. '77	Jan. '77	% Change over earlier	Index base year
W. Germany	143.4	142.3	142.3	139.5	+ 2.8	1970=100
Italy	125.9	124.7	124.1	108.4	+16.1	1976=100
Holland	117.4	117.9	117.9	112.3	+ 4.5	1975=100
U.K.	189.5	188.4	187.4	172.4	+ 9.9	1974=100
France	190.3	189.4	188.9	174.3	+ 9.2	1970=100
U.S.	187.2	186.1	185.4	175.3	+ 6.8	1967=100
	Dec. '77	Nov. '77	Oct. '77	Dec. '76		
Belgium	125.25	124.76	124.31	117.8	+ 6.3	1975=100
	Nov. '77	Oct. '77	Sept. '77	Nov. '76		
Japan	119.4	120.8	120.2	112.4	+ 6.2	1975=100

WORLD TANKER MARKETS

Some Mediterranean deals

BY LYNTON McLAIN, INDUSTRIAL STAFF

OIL TANKER chartering prospects last week continued the established dull trend noted by London brokers since January. The exception was a slight improvement in special deals in the Mediterranean, brokers said at the week-end.

Last week's poor performance came after worsening prospects in February. Many tanker owners felt pressure from declining second-hand prices as lay-ups increased and as interest in scrapping accelerated.

Tanker tonnage idle for two months increased by almost 3m. tons last month to 37.4m. tons, or 44.4m. tons including combined carriers, brokers H. P. Drewry said last week. Brokers H. Clarkson and Company said there was now so much excess tonnage seeking cargoes that charterers were "picking and choosing ships with care and taking their time doing so."

By last Thursday the Caribbean had been the busiest sector, with 21 fixtures, an improvement on the previous week when demand was patchy. The Persian Gulf had 16 fixtures and the Mediterranean had six.

Supertanker charters from the Gulf were up on the previous week, with six very large crude carriers (VLCCs) over 200,000 tons. Rates varied from Worldscale 19.5 to 20, down from 20 to 22.25.

Ultra large crude carriers featured for the first time for six weeks, with two loadings on ships over 300,000 tons. But rates for both fell from Worldscale 19.5 the previons week to 17.375.

The largest Gulf charter was Wind Escort, 345,000 tons, set for the Caribbean March 10 at Worldscale 17.375.

Inactive tonnage in the dry cargo sector rose half a million tonnes in February to 15.7m. tons. Any short term recovery was hampered by a continued lack of loadings for U.S. grain and coal.

Dry cargo tonnage scrapped in February reached 800,000 tons, but orders were reported for two bulk vessels totalling over 200,000 tons, for delivery from Japanese yards in 1979.

The average Far East scrap price last week was $88 per ton, in Europe it remained below the $50 mark, at $40.

In the tanker market, ordering and scrapping was in balance, at 800,000 tons in each case, with 15 small vessels on order.

Total tonnage of all types of vessel idle at January 31, 1978 was 48.6 deadweight tons, with an overall of 7 per cent. of ships laid up, figures from the General Council of British Shipping showed last week. Denmark was the worst hit nation, with 26 per cent. of its fleet idle, compared with 6 per cent. of the British fleet.

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HOME NEWS

Thatcher says overmanning destroys jobs

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNION success in maintaining high manning levels and Labour's subsidy of redundant jobs were blamed for Britain's high unemployment by Mrs. Margaret Thatcher, Leader of the Opposition.

She said that even the £520m. needed to cover British Steel's expected loss this year would not save jobs. Some of the money coming from successful industries would prevent them taking on more workers.

She cited the closure of GEC's domestic cooker plant in Liverpool as an example of high taxation reducing workers' purchasing power and depressing demand for the product.

Overmanning created unemployment, she told Conservative trade unionists in Bradford. It brought companies to the point where they had to shut whole factories to get out of trouble.

A Conservative government would do nothing to help firms faced with closure because of overmanning or failure to resist large pay claims.

Conservatives believe that the motor companies and the railways are examples of overmanned industries.

Mrs. Thatcher said that subsidies could be used wisely to mitigate hardship and to "ease the process of change from old industries into new." However, she did not identify these new industries.

Conservative leaders are putting considerable faith in the revival of small businesses, arguing that lower taxation, better incentives and some amendments of the Employment Protection Act will encourage large-scale recruitment.

Mr. James Prior, employment sopkesman, told the audience that the Tory policy of restoring "responsible collective bargaining" without government intervention was an integral part of the recipe for beating unemployment.

But he warned: "We must ensure that the results of collective bargaining can be more effectively matched to our growth in productivity."

The Conservatives propose a forum at which the TUC, the CBI and other interested groups would discuss (but not negotiate) what the country could afford.

That forum—an expanded National Economic Development Council, if the TUC and CBI agree—would report to a powerful Commons select committee under a chairman of Cabinet rank, which in turn would report to Parliament.

The Tories emphasise that there will be no "guidelines" and that workers in profitable businesses would be able to achieve substantial pay rises.

Others would have to be satisfied with much less—or find themselves in the dole queue.

Rules sought on pay sanctions

SAFEGUARDS against Government sanctions to curb excessive wage demands are being sought by the London Chamber of Commerce and Industry. The chamber said to-day that while it agreed that the fight against inflation is of the greates importance, its 8,600 national members had mixed reactions to recent Government measures to tighten sanctions.

The chamber believes that the Government define targets for individual pay settlements instead of an overall target for wage rises. Parliamentary approval should be sought for use of sanctions.

The publication of a blacklist of firms is objected to and the chamber suggests that two conditions should be met: companies should be notified individually before publication; and they should have the chance to justify any wage increases before an independent tribunal.

Bow Group warning on election

By Rupert Cornwell

A MODERATE Tory pressure group to-day expresses renewed fears about the electoral threat posed to the party by Mr. James Callaghan's skilful seizure of the political middle ground, and his projection of a sound conservative image.

The warning comes from the Bow Group, in the latest issue of its Crossbow publication. An editorial says that the Prime Minister has outflanked the Conservatives by his exploitation of the Rightward shift in public opinion.

"He harnessed the new mood to his stand against the power workers and the firemen, and established a bond with the public as the best conservative Prime Minister of recent history," says the editorial.

"The Tory leadership by contrast, obsessed with covering internal divisions and with the centrists having won the trades union issue, failed to notice that public opinion was moving, and left the Government free to usurp the Conservative corner."

Mrs. Thatcher, however, escapes criticism, despite the broadly Left-wing slant of the Bow group. Instead, she is advised to "formalise her pronouncements" in a series of major speeches—and to consider a replacement for Mr. James Prior as Shadow employment spokesman.

This need not revive speculation on a Conservative split over industrial relations. A promotion for Mr. Prior would express appreciation of his achievements.

Chrysler seeks 10% share of car market

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. plans to take more than 10 per cent. of the U.K. car market—a figure last achieved in 1974—with the addition to its range later this year of the new French-built Horizon.

This target has been established following the launch of the Horizon in France, where, in the last two months, it has shown encouraging signs of pulling back Chrysler Simca's faltering position in the middle sector of the market for medium-sized family saloons.

Present plans indicate that when Chrysler begins importing the Horizon to Britain it will hope to sell between 30,000 and 40,000 units a year.

Production at Simca's Poissy plant near Paris, is already running at the rate of about 190,000 units a year, and will build up by May to 250,000 units a year.

The new car, styled in Chrysler's European studios at Whitley, Coventry, and jointly developed by European and U.S. engineering teams, is the most significant Chrysler launch in recent years.

The concept was taken up by Chrysler Corporation in the U.S. to form the basis of the new Omni/Horizon range, which looks like the French-built car though it has many different components.

The vehicle is the first U.S.-built mass-production car to utilise front-wheel drive and a transverse engine. Chrysler will use it to attempt to win back ground in the expanding U.S. small car market.

In the U.K., Chrysler aims to fit the Horizon, offered with either 1100 cc or 1300 cc engines, into the price gap between the recently launched Sunbeam model and the Alpine.

The French-made car has a similar shape and size to the Sunbeam, with a hatchback in a body of about 13 feet, but the company believes that its extra technical specifications will differentiate it sufficiently from the British vehicle. No prices have been given, but the Horizon sells in France at between £2,600 and £2,900.

Following the Horizon's launch in October, Chrysler will be bringing another front-wheel drive car—an Alpine with a boot—into production at its Ryton plant in Coventry next year, where it is currently achieving better quality than at any other of its European plants.

This version of the Alpine, now being produced in its hatchback style in Poissy, Ryton and Madrid, will be the last of the vehicles introduced to Britain with the help of the £162m. Government grants and loans arranged when the company collapsed in 1975.

Its introduction will clearly leave Chrysler U.K. with a much wider range of products than three years ago, though these cars all cater to the middle of the market. It should also add significantly to Chrysler's U.K. sales, which sank last month to only 6.2 per cent. of the market.

Better deal proposed for injury victims

Financial Times Reporter

RECOMMENDATIONS on automatic compensation for road accident victims and universal allowances to cover disablement costs are expected to be made in a Royal Commission report this week.

The commission, set up under Lord Pearson five years ago, was given a wide brief to consider all aspects of civil liability.

Its main area of interest has been to consider whether the normal proof of liability procedures in civil cases should be changed into a no-fault basis. This has wide-ranging implications for the law on product liability, as well as the status of motor insurance and medical liability.

The commission is believed to prefer a revision of the system for compensating road accident victims on the grounds that the way the law operates at present tends to be capricious and time-consuming. Under an automatic system victims would be compensated whether they were at fault or not.

Experts are divided on whether the cost of a revision, which might have to be paid for out of a new petrol tax, would be too high to gain widespread support. Some believe that any increase in expenditure would be balanced by a decline in the handling costs attached to claims.

Motor industry wants 'neutral' Budget

BY TERRY DODSWORTH

THE BRITISH motor industry has told the Government that it would prefer a neutral Budget on car taxation to any special measures designed to expand the market. But it would like the Chancellor to look at the situation again in the autumn, when his other measures have had time to work through.

These recommendations, passed recently to the Treasury by the Society of Motor Manufacturers and Traders, have been made on the expectation that the rest of the budget will give a mild stimulus to consumption.

The SMMT is itself arguing for substantial personal tax cuts as a means of creating more incentive and better productivity. It believes that measures of this kind would give a considerable stimulus to the car market, without any additional moves to alter the present hire purchase system of 33⅓ per cent. deposits and a 24 month repayment period.

At the same time the Government is believed to have rejected yet another proposal by the Ministry of Transport to replace the £50-a-year vehicle excise tax by higher taxes on fuel, which at present stand at 30p a gallon on petrol and 35p on diesel.

The Department of Transport has argued for this change on the grounds that a petrol tax penalises use and would encourage motorists to switch to smaller and more economical cars.

But the Department of Industry opposes the scheme because it believes that a switch towards smaller cars would encourage greater imports, while the Treasury is inclined to accept the DoI's views because of its own anxiety over possible increases in imports of manufactured goods.

The SMMT has argued against the switch in the past because of fears that motorists would be hard hit by yet another substantial increase in fuel prices. But since the stabilisation of prices in the past year, and evidence that the real price of fuel is the same as it was before the oil crisis, it is preparing to take a new look at the situation.

Scrap industry warned on euphoria

BRITAIN'S FERROUS scrap industry which has had to face more than two years of recession must not react with "euphoria" to some signs of slight rises in demand and price, says Mr. Eric Cross, president of the British Scrap Federation.

Mr. Cross said that in some parts of the country there was evidence that the industry's major customer, the British Steel Corporation, had raised its scrap purchases. With such a depressed market this could push prices upwards.

Key economic figures awaited this week

BY DAVID FREUD

RKET INTEREST will concentrate on the trade and money ply figures published in the dle of this week.

oth sets of statistics showed narked turn for the worse last nth and the new figures will vide strong evidence as to ether they were part of an lerlying trend or a temporary rration.

The January trade figures ealed the first current account icit — of £179m. — since the nmer. This was in stark const to the second half of 1977. en there was a total surplus nearly £1bn.

arget level

Officials were able to find no ecial factors to account for deterioration. However, ere had been an ominous drop the December surplus which. £74m., was less than a third the previous month's. The bruary figures will be pubhed to-morrow.

The money supply figures — blished on Thursday — are expected to show a slackening in growth after the sharp rise registered in January. However, they are likely to remain well above the Government's target level.

Money stock

The sterling money stock on the wider definition (M3)—the key figure for official monetary policy—rose by 2.3 per cent. in January.

This took the increase in the first nine months to the annualised equivalent of 14.75 per cent., well above the official 9-13 per cent. official target range.

Other figures due are the provisional retail sales statistics for February, to-day; the provisional index of industrial production for January, on Wednesday; the January earnings figures, also on Wednesday; and the retail prices index for February, on Friday.

The Bank of England Quarterly Bulletin is published on Thursday, which will contain the usual banking sector statistics.

Decline in world trade forecast

FINANCIAL TIMES REPORTER

GLOOMY VIEW of the world ade prospects in the next five ears is taken by the Henley entre for Forecasting in its larch framework forecasts.

World output growth in the eriod is predicted to fall well elow the post-war average and o average 3.5 per cent. a year or the OECD countries.

Growth in world trade manuactures is expected to drop to n average of 5.5 per cent. a ear as trade restrictions inrease.

However, in spite of its essimism over world prospects he Centre forecasts a better J.K. performance in spending, inflation, and output over the next five years compared with the previous five.

A worsening of Britain's non-oil trading position is forecast for this year, with a current account surplus of less than £1bn. This is expected to contribute to a fall in sterling in the foreign exchange markets, including a sharp decline against the dollar.

However, the recent success in curbing wage inflation indicates there are prospects of a lower rate of pay increase during Phase Four compared with an expected 14 per cent. rise in the total pay bill under Phase Three.

'Too few women take up law'

THE Equal Opportunities Commission believes that there are too few women at all levels in the legal profession.

The problems of women in the Law are "deeply rooted in traditional habits of mind (women as well as men), customs and practices," the commission says in evidence to the Royal Commission on Legal Services published to-day.

The commission found that 26 per cent. of law graduates are women, but they formed only 8.2 per cent. of practising barristers and 6.5 per cent. of practising solicitors.

Referring to barristers, the commission says: "In a profession which has been traditionally a male preserve and which only allowed women to enter in 1919, the ethos and traditions are still essentially masculine, and this prejudice shows itself by generally only allowing women places to deal with matrimonial law or crime, being regarded as not serious enough or intellectually capable of dealing with commercial or chancery matters."

The Senate of the Inns of Court circulated women practising at the Bar to try and establish where problems exist.

The commission says: "It seems improbable that the problems of discrimination can be accurately identified by seeking information from those who have succeeded in obtaining tenancies. What matters is the experience of those who have been excluded."

Of 72 Industrial Tribunal chairmen, two are women, and of 1,811 lay members 417 are women.

Among the commission's recommendations are:

- The Inns of Court and the Bar and the Law Society register as training institutions under the Sex Discrimination Act.
- Heads of Chambers should be reminded of their obligations under the Act.

Unions seek talks with Edwardes

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS management appears ready to take the initiative to revive the ailing worker participation machinery.

Shop stewards on the cars council, the top-tier participation body, have opened the door for fresh talks by calling for urgent discussions with Mr. Michael Edwardes, the British Leyland chairman. But Mr. Derek Robinson, the senior trade union spokesman, said last night that firm assurances would be required from the management that it was prepared to honour both the letter and the spirit of the original worker participation agreement.

The union side of the cars council suspended meetings in protest at the announcement of closure of the Speke assembly plant. The shop stewards complained that Speke was the third important decision taken by Mr. Edwardes without prior full consultation with the unions.

Leyland stewards are pressing through their full-time officials for a meeting with Mr. Eric Varley, Industry Secretary, to discuss the future of industrial democracy in the State-owned concern. In the original Government rescue scheme stress was placed on the need to enlist the co-operation of the workforce.

Efforts are being made to convene a meeting of senior Leyland stewards to review the progress of worker involvement. Calls to scrap the present system of participation are likely. In addition to stewards disillusioned by the present operation of the scheme, important plants such as Rover at Solihull, and Triumph at Coventry, have refused to take part.

Engineering groups slow to go metric

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

METRICATION is making very slow progress in Britain's small engineering companies, according to a report submitted to the Metrication Board's engineering steering committee.

It reveals that 12 years after the process of converting U.K. engineering industry began, only 29 per cent. of new machines bought by the companies investigated were metric and only 20 per cent. of those already installed were metric.

Some 77 per cent. of engineering drawings are still produced with Imperial dimensions.

The report, produced by metrication consultant Mr. Jack Whiteley, cites only two instances where trade in metric engineering products is greater than trade in its Imperial equivalent—screws and wrenches.

The Metrication Board said at the week-end that its own surveys revealed a very different picture in large engineering companies where over two-thirds of products produced were in metric sizes. More important, nearly all new designs were metric.

Whitehall 'should lead way on pay'

By Kenneth Gooding, Industrial Correspondent

GOVERNMENT must lead the way on pay next year to ensure that average wages rise by no more than 5 per cent. and that inflation is held, the National Consumer Council said yesterday.

The Council, set up by the Government to represent consumer interests, has told the Chancellor that the Government's first priority must be to cut the rate of inflation to 5 per cent. or less in 1979.

To this end, it must lead an attack on all practices which result from entrenched expectations of high inflation, such as frequent price increases and "unreasonably high pay claims."

In proposals for next month's Budget, the Council has backed demands from Labour MPs for the abolition of one of the two main profit safeguards written into price controls. The Government must amend legislation to prevent companies being allowed any interim price increases while they are investigated by the Price Commission.

The Council wants companies to limit price increases to once every 12 months. Increases at more frequent intervals should be prime candidates for investigation by the Commission.

Extra scrutiny

Rises notified by companies which have conceeded unreasonably high pay claims should come in for extra scrutiny.

The council, whose members represent a broad spectrum of political opinion, says that it is highly unlikely that free collective bargaining on pay, left to itself, would result in a low enough rate of wage settlement to ensure that inflation was reduced to five per cent. To get inflation down to this point, earnings would have to go up by no more than 8 to 9 per cent. This implies a rise in basic wage rates of about five per cent.

The council concludes that because it is unlikely that this would come about through the re-introduction of free collective bargaining, there is no alternative to some kind of "Government-led policy on pay."

Net incomes trend shows recovery

Financial Times Reporter

AVERAGE after-tax income appears to be recovering in real terms after the low levels reached earlier last year. However, net income is still well below the record figures set in 1974.

According to a Parliamentary written answer by Mr Robert Sheldon, Financial Secretary to the Treasury, average weekly net income in December, 1977, was £65.60. Weekly net income was defined as gross earnings plus family allowances and (for 1977 only) child benefits, less income tax and national insurance contributions. The figures are based on a married man with two children under 11.

The December figure was £2.70 above the level recorded in March, when the average income—at December, 1977, prices—was lower than at any time in the 1970s at £62.90. It was also an improvement on figures for the two other months recorded in the quarterly series, which showed the June figure at £64 and the September at £63.80.

Taking a longer term view, however, the December figure was still below the level that had been reached six years earlier, in September, 1971.

The December figure was also well below the peak level recorded in December, 1974, when the real weekly net income —again at December, 1977, prices—was £71.90.

Wages policy faces further tests in talks this week

BY CHRISTIAN TYLER, LABOUR EDITOR

THREE IMPORTANT sets of pay talks for manual workers will be held this week, as the Government looks forward with growing confidence to a modest success for its 10 per cent. incomes policy.

Over half-way through the policy's life—but with only about a third of workers having settled so far—there is some confidence that the national increase in earnings, including productivity deals, can be held below 15 per cent. by the end of July.

To-day engineering unions meet the employers for what could be a final attempt to settle the dispute about the way the incomes policy affects a relatively small number of low-paying firms. The unions, with 1¼m. members involved in a national agreement setting minimum rates, have threatened a two-day general stoppage for next Monday and Tuesday if the talks fail.

To-morrow power supply unions are expected to call their national delegate conference for a ballot of their 90,000 members on an offer said by the Electricity Council to consist of 10 per cent. on earnings, plus another 7 per cent. or so for self-financing productivity.

On Thursday, negotiations get under way on a pay claim, due for settlement at the end of June, for 700,000 building and civil engineering workers.

The employers are expected to move fairly quickly towards an offer of 10 per cent.—or about £7.50 a week extra on average earnings. They may also promise a fourth week's holiday, to be introduced in several years.

Most of the pressure on building employers this year comes from the Transport and General Workers Union, which is mainly responsible for a claim estimated by the employers at between 40 and 50 per cent. including fringe benefits.

The TGWU, second to the Union of Construction Allied Trades and Technicians in terms of members covered by the agreement, is going all out for a cut in the working week from 40 to 35 hours.

Only last week the union's general executive reaffirmed the policy of making a shorter week without loss of pay a top priority in negotiations.

This is a bid to increase employment: the construction industry is one of the worst hit, with about 205,000 men out of work.

This part of the claim will be strongly resisted by the building and civil engineering employers, on the grounds that the only result will be more overtime paid at premium rates.

Present minimum earnings for 40 hours—which because of the recession are thought to be much closer to actual site earnings than in some past years—are £54.60 for craftsmen and £47.70 for labourers. This includes supplements and guaranteed minimum bonus.

The industry is vulnerable to the threat of Government sanctions if it goes above the guidelines.

Shop stewards back plan for drivers' stoppage

BY PHILIP BASSETT, LABOUR STAFF

SHOP STEWARDS representing lorry drivers in haulage companies throughout London and the south-east voted yesterday to recommend strike action in support of a pay claim.

Official backing for the strike will be applied for, but any action will be suspended for four weeks while the dispute is referred to the Advisory, Conciliation and Arbitration Service.

The dispute involves a Road Haulage Association pay offer to drivers at 2,000 private haulage companies in London and the south-east. The pay package originally included a 25p daily meal allowance which was dropped after pressure from other regions.

Yesterday the London shop stewards turned down the employers' replacement meal element of 35p per week and decided unanimously on strike action in support of the restoration of the 25p per day allowance.

If the dispute is not settled at ACAS 3,000 hire and reward drivers working for haulage firms will be the first to come out on strike, though the stewards warned yesterday that drivers working for private companies' own haulage fleets could be called out after them.

Water workers to accept 10%

TWELVE THOUSAND water workers will settle for a 10 per cent. pay offer this week. The result of a ballot of members of the National Union of Public Employees will mean that the employers' pay offer will be accepted throughout the water industry.

Transport and General Workers' Union water-workers have voted to accept the offer. Because acceptance of a pay offer in the water industry by two of the three main unions is all that is needed, the offer now will apply to all 33,000 water supply workers.

Teachers step up action to press pay demand

BY OUR LABOUR STAFF

INDUSTRIAL ACTION by teachers will be stepped up to-day when the National Association of Schoolmasters and Union of Women Teachers joins the National Union of Teachers in sanctions in support of their pay claim.

A total of 346,000 teachers have been asked by the two unions, the largest of Britain's teachers' unions, to refuse to supervise mid-day meals and perform other voluntary activities.

The two unions are furious at the refusal of the local authority employers to negotiate on their 9 per cent. pay offer to each teacher, with another 1 per cent. to cover promotional and incremental increases.

The teachers want a 12½ per cent. pay rise from April, with at least 10 per cent. for each individual teacher. They say it is unfair to expect all teachers to pay for the increases of the minority who would get the promotional increases.

Scargill attacks incentive plan

THE NATIONAL Coal Board faces serious problems over operation of the pit productivity scheme in Yorkshire, Mr. Arthur Scargill, leader of the region's miners, warned yesterday.

At a third of the 66 Yorkshire pits, clerical workers were earning more than colliery surface men, he said. At 20 per cent. of the pits, the office staff and typists were earning more than both surface workers and men who worked underground away from the coal face.

APPOINTMENTS

Changes at Borg-Warner

A major reorganisation announced for the transportation equipment group of BORG-WARNER CORPORATION includes the appointment of Mr. Peter G. W. Whybrow to managing director, transmission division of Borg-Warner Limited. Mr. Whybrow, formerly deputy managing director, joined the transmission division when it was established at Letchworth in 1936. In addition to operations at Letchworth, Hertfordshire, and Kenfig, West Glamorgan, his responsibilities include Borg-Warner service centres located in the U.K., Sweden, Germany and New Jersey, U.S.A. He is also responsible for Toolworks, a subsidiary of the division.

★

Mr. T. M. Greer has been appointed to the Board of JOHNSON GROUP MANAGEMENT SERVICES, a subsidiary of Johnson Group Cleaners.

★

COMPAGNIE MONEGASQUE DE BANQUE OF MONACO has made Mr. Pierre-Paul Schweitzer a director and chairman of the Board. Mr. Schweitzer, who was managing director and chairman of the executive Board of the IMF, is also an advisory director of Unilever N.V. Rotterdam and a member of the supervisory Board of the Robeco Group, Rotterdam.

★

Miss Jessica Jenkins has been appointed by the ILEA as assistant education officer responsible for primary education. She succeeds Miss Patricia Burgess who retired recently after more than 41 years service with the former LCC and the Authority.

★

Mr. Keith Bean and Mr. Peter N. Sillars are to join the Board of GEEST INDUSTRIAL GROUP as executive directors. Mr. Bean continues as group accountant whilst Mr. Sillars becomes general manager of the W. Groom Division. He will be succeeded as general manager of the F. W. Pettit division by Mr. Peter W. Buckey, presently divisional manufacturing manager.

★

From April 1 AVERY LABEL SYSTEMS U.K., part of Avery International Corporation, will be incorporated as a limited company. Mr. Michael J. Smith, chief executive since January 1977, has been appointed managing director and is joined on the management Board by Mr. W. R. Chalmers as director of finance —previously financial controller, Mr. A. C. Kerr as manufacturing director—previously Cumbernauld plant manager, Mr. T. G. Hankins, marketing and sales director and Mr. R. J. Travis, personnel and training director.

★

Mr. Simon Davis has joined SUTCLIFFE CATERING GROUP as marketing and sales director and a member of the Group management Board. Mr. Davis was previously sales director of Gardner Merchant Food Services. Mr. Michael Warrior has been appointed managing director of Sutcliffe Catering Company (Scotland) from regional director with the Sutcliffe Midlands company. Mr. Hugh Richardson, formerly managing director of Sutcliffe Catering Company (Scotland) has been made managing director of Sutcliffe Catering Company (North) and Mr. Brian Appleton, formerly managing director of Sutcliffe Catering Company (South) has been made director responsible for new developments.

★

Dr. D. O. Ellis has been appointed a director of SOFTWARE SCIENCES INTERNATIONAL with specific responsibility for all major new developments in Group activities. He was previously managing director of B. H. Blackwell. Mr. Ellis also becomes chairman of two Group subsidiaries—Software Sciences Micrologic and Software Sciences Engineering.

★

The Council of the Federation of Manufacturers of Construction Equipment and Cranes has approved the appointment of Mr. David R. Barrell, as director—construction equipment, and of Mr. Alan C. Skipper as the director responsible for the Crane Group within the Federation. Mr. P. S. Lane continues to serve as director general and Mr. H. H. Reeders continues as the Federation's technical director.

★

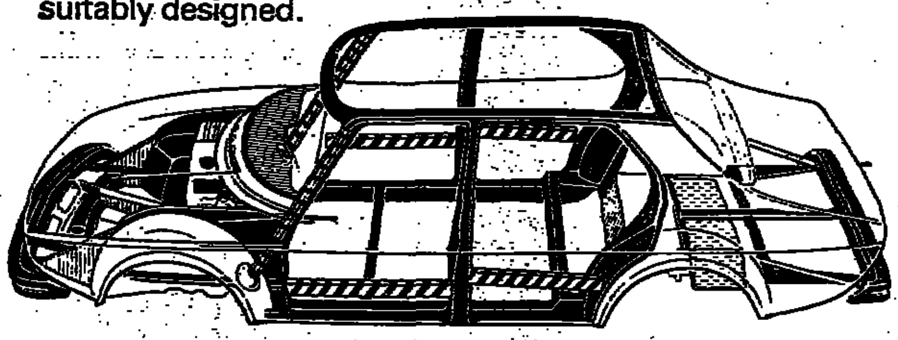
Southern Region's new chief passenger manager is Mr. Robert Parks who has come to the Southern after 13 years on the Scottish Region. He succeeds Mr. Peter Haydon, who is now passenger manager (sales) at British Railways Board's Marylebone headquarters.

A dramatic combination of technology and total driving pleasure

Saab–developed to beat some of the toughest driving conditions in the world

Some of todays toughest driving conditions exist in Sweden. So it is not surprising that we were one of the first car manufacturers to build a car that could cope.

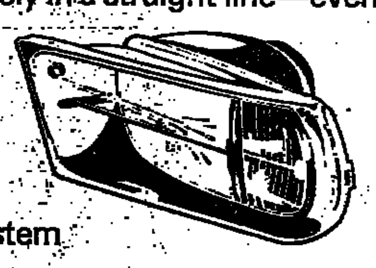
Not just a car that gave the driver control in the most difficult situations, but a car superbly engineered to help protect the driver against other vehicles less suitably designed.



Every Saab is built with a passenger safety cage.

More attention to comfort & safety

Front wheel drive gives you unparalleled control in the worst conditions and our braking system is diagonally split so you'll always stop safely in a straight line—even with a front tyre burst.



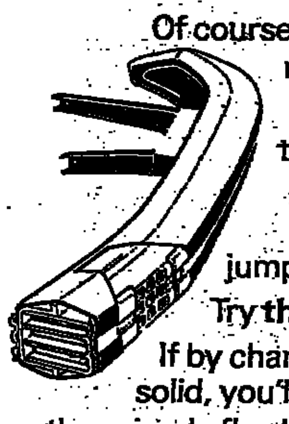
Our headlamps have built-in wash/wipe mechanisms as standard.

And our demisting system covers front, rear and even the front side windows. After all we believe there is little point in having a lot of glass unless you can see through it.

Inertia safety belts come as standard and on some Saabs you'll even find individual seat belts for the three rear passengers.

Because we thought you might care as much for those in the back as for those in front.

Of course, you are always at the mercy of other road users.



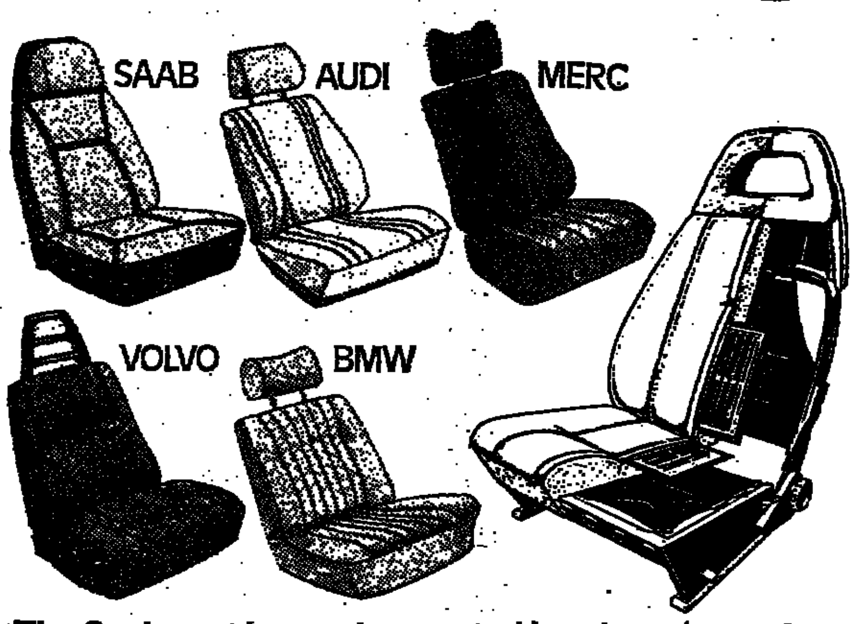
Our safety bumper is one of the few that really deserves the name.

Next time you visit a Saab showroom, jump up and down on them—hard as you like. Try that in a competitor's showroom.

If by chance, you do make contact with something solid, you'll be reassured that at up to 5 mph impact they simply flex back into shape.

Knock a little harder and for a few pounds you simply replace only the damaged section.

A real plus is the fact that both front and rear bumpers actually wrap around the sides as well. Extending our unique safety features all round.



The Saab seat has an integrated headrest/restraint, and the drivers seat is heated.

The ultimate in reliability

Safety of course is not much use if your car suffers from high repair bills and niggling problems.

Today it's become fashionable to show such problems as minimal.

We believe they should be non-existent.

Ahead of the field in many ways, we're proud to refer to a 1976 report in Motor magazine that said, "We chose a Saab as a best buy for at least one very good reason: reliability. We ran a 99 as a staff car for over a year, covering some 20,000 miles, and in that time literally *nothing went wrong*—it was the least troublesome car Motor had ever had on the fleet."

Open up the bonnet of a Saab and you'll probably understand why.

First it hinges forward—an extra safety feature, at the same time giving better access.

And then feel the metal.

The complete body work of a Saab is that much thicker than our competitors. So our other safety features are real—not just a last resort.

Leaders in technology–turbocharging for today's motorist

If all this mention of safety, reliability and quality makes you think Saabs are stodgy, then we've a dignified surprise—especially if you own a Jag, Merc or BMW.

Of our new Saab Turbo, Motor magazine wrote—"If the maximum speed of nearly 120 mph isn't impressive enough, then you need to look no further than the remarkable top gear acceleration to put the Turbo in perspective, between 40 and 100 mph the Saab accelerates faster in this gear than just about *any* four-seater saloon in the world. And that makes overtaking and cross-country ability of the sort hitherto the preserve of expensive exotica."

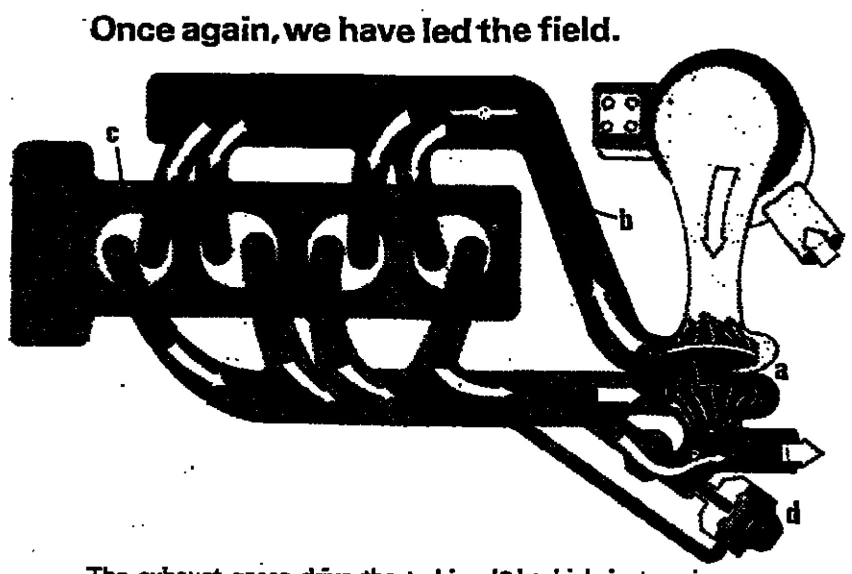
The Saab Turbo has indeed achieved universal press acclaim.

A unique valve in the Turbo system gives the perfect blend of performance and economy.

And even our 99L at just £4,150 will cruise all day at 100 mph—quietly.

And yet return over 30 mpg* under normal touring conditions.

Once again, we have led the field.



The exhaust gases drive the turbine (a) which in turn increases gas flow (b) through the engine (c). The unique valve (d) ensures that the charging pressure will be maintained at the required level throughout the speed and load range.

Servicing by enthusiasts

If you're fed up with impersonal servicing you'll be delighted by the Saab method—quite literally by enthusiasts.

Most Saab dealers (about 200 nationwide) are small garages who stand or fall by the service they offer.

So you'll get the type of attention you thought was the preserve of the elite.

A range to suit every need

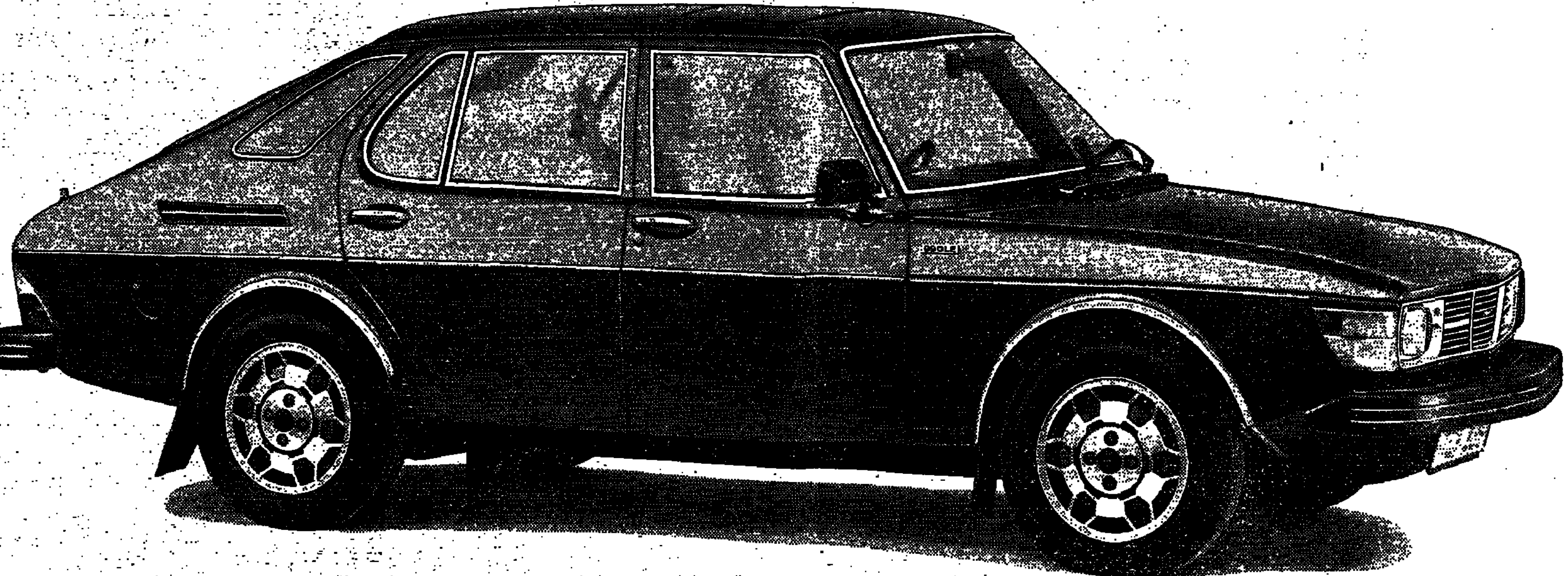
At Saab we don't just deliver an image—we deliver reality. If you are the same kind of motorist, with a mature sense of judgement, we've a lot to deliver.

And for most models, we'll deliver in about 2 weeks.

SAAB

One of the world's finer cars

SAAB (Gt. Britain) Ltd. Saab House, Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Telephone: Marlow 6977.



The 99 GLE 5 DR

99L £4150 99GL 2 DR £4275 99GL Super 4DR £4575 99GL Super Automatic 4 DR £4835 99GL Combi Coupe 3 DR £4785 99GL Super Automatic Combi Coupe 3 DR £5175 99GL Super Combi Coupe 5 DR £5155 99GL Super Automatic Combi Coupe 5DR £5410 EMS 3 DR injection £5965 EMS 2 DR injection £5643 99GLE 5 DR £6225 99GLE 4 DR £5896 TURBO £7850 Prices include car tax, VAT and seat belts. Number plates and delivery charges extra. *Fuel economy—Motor Magazine.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PERIPHERALS

Ink jet can draw many characters

UNIQUE ink-jet system for [..]ating characters on moving [..]order charts has been intro[..]ed by Gould Instruments [..]ision. The ink-jet annotation [..]ice, available as an option on [..]uld Mk. 2000 Series and Mk. [..] oscillographic recorders, [..]nts uniform, highly readable [..]hanumeric characters in a [..] 7 dot matrix along the edge [..] the chart over many chart [..]eds.

With the new ink-jet annota[..]n system, the user no longer [..]s to stop the recorder (and [..]ssibly lose valuable analogue [..]ta) to make manual notations. [..]inting and analogue recording [..]cur *simultaneously, so that* [..]notations are closely asso[..]ted with the *analogue traces to* [..]ich they refer.

The device also facilitates use [..] the recorder on an "excep[..]on" basis, rather than consum[..]g chart paper whether or not [..] important signal is coming in. [..]inting and recording can be [..]erator-, event- or computer-[..]itiated in either attended or un[..]tended service, and the device [..]ses the incorporation of [..]orders into automated computer-controlled test systems.

In medical monitoring or transient recording, for example, *only* anomalies need to be recorded, and these can automatically be identified in ink-jet characters on the chart edge by time, date, patient name, experi*ment number etc.*

Important measurement parameters such as instrument sensitivity settings and chart speed can also be entered on the keyboard and automatically noted on the chart along with the *analogue* traces to become a part of the permanent record.

The patented Gould ink-jet mechanism is a capillary "drop-on-demand" system which forms and *ejects an individual droplet* of fluid only when its piezo-electric transducer is pulsed by the drive electronics. Unlike continuous-stream systems, which require a catcher to *collect drops* not required for character formation, the Gould system eliminates the need for ink pumping, filtering and recirculating.

Ink consumption is very low. One 10 cubic centimetre cartridge *will print over* 2m. characters, and is easily replaced.

Further details from Gould Instruments Division, Roebuck Road, Hainault, Essex, IG6 3UE. 01-500 1000.

QUALITY CONTROL

Components sorted fast

TELEDICTOR, makers of eddy *current and magnetic non*-destructive testing equipment, *claims an advance in test-coil* design which overcomes the rela*tively low throughput* in the automatic sorting of small ferro-*magnetic components in compari*son to the output achieved with *similar products of intermediate* sizes.

In practice, the sorting *of* small components for quality variations due to changes in chemical composition, heat-treated condition, *metallurgical* structure, hardness, case depth, dimensions, and *so forth, has* resulted in the slowing down of mechanical feeds and continuous belts conveying the products to the test-coil. This has been necessary to allow the product sufficient time in the optimum part of the coil for the signal response to be monitored consistently.

The new Teledictor coil design removes the need for a motor-driven conveyor belt, for when coupled to higher-speed 2 or *3-way sorting* gates, the new Type 1136 Ferrous Segregator forms a complete testing system which can increase throughput from the 1500/2000 an hour achieved by belt conveyor systems, to as high as 7,000 per hour.

In addition to a faster operating speed, this new equipment has a number of other advantages. It is smaller, lighter in weight and, depending on coil aperture requirements, can show *a cost saving of up to 10 per* cent. for a complete sorting equipment.

Further from Teledictor, Coneygyre Industrial Estate, Tipton, West Midlands, DY4 8YB. 021 557 3056.

COMMUNICATIONS

Tests lines remotely

AIMED by Standard Telephones and Cables at the world's PTT authorities is a microprocessor-driven test equipment which enables engineers to check subscribers' *complaints about faults* from a central remote site, *cutting back on* local manual maintenance.

The Post Office in the U.K. is said to be "interested" in the system; overseas, STC has sold systems to two undisclosed authorities in the Middle and Far East.

Main advantage of the remote line tester (RLT) is that it does not require the use of dedicated lines but operates solely over the public switched telephone network.

The system consists of a central operating console with keyboard and small *display*, together with a number of remote units placed in local exchanges in the area that is to be monitored. Fault complaints are routed to the exchange where the console is situated. The test *operator* then dials the access code of the remote unit in the exchange to which the faulty line is connected, followed by the subscriber's directory number.

Remote unit is now connected directly to the troubled line: measurements and tests can be made from the console which receives the digitised results from the remote unit and displays *them. If necessary the* tester can talk to the operator to check, for example, the dialling unit.

If required, PTTs can employ less skilled staff to carry out initial fault investigation by *using the pre-programmed* auto-test facility. This uses built-in standards that distinguish automatically between acceptable and unacceptable results, which are simply shown as "pass" or "fail" on the display.

There is no limitation on the distance between the test console and the exchanges with remote units, and each console can handle any number of remote *units*.

The system will probably first be used by authorities with island groups connected to the mainland: the RLT can identify *faults with certainty from a cen*tral point to eliminate unnecessary journeys. But advantages will be found wherever access to subscribers' lines is difficult and expensive. More from *Oak*leigh Road, New Southgate, London N11 1HB (01-368 1234).

MACHINE TOOLS

Hefty miller from Italy

LATEST IN the range of milling machines made by *Induma, Italy*, is a horizontal spindle machine, designed *so* that all three axes are contained in separate structures.

Each axis is powered by a 5 hp dc motor with infinitely variable *feeds* from 3 to 8000 mm/min., driving through re-circulating ball screws. *Drive and feed is* aimed at high accuracy and gaining full potential from coated carbide tools.

There are two models differing only in the vertical travel and main spindle motor power—one with a 700 mm Y axis has a 15 hp motor, the other a 10 hp motor *and 1000 mm Y axis.* On both *machines* 18 spindle speeds from 35 to 1500 rpm are available. *The* X axis is 12500 mm and Z axis 600 mm, with *Z* axis options of 800 and 1000 mm.

Flexibility is added to the machine by an over-arm mounted above the spindle. This can be used as an arbor support for heavy duty horizontal milling, or *to mount a 3 hp turret* head with double knuckle joint and 140 mm quill feed. To give two-plane milling, a motorised over-arm can be supplied with a 5.5 hp motor and 100 mm quill.

Marketing in the U.K. is by RK *International Machine Tools*, Europa Trading Estate, Fraser Road, Erith, Kent. (01-304 8411).

Deep-drawn engine sump

EXPERTISE in deep drawing has enabled Tallent Engineering to design tools that will produce engine sumps for Chrysler UK as one-piece pressings. This has *achieved reductions in tooling* costs, assembly, metal loss from trimming the two parts, and the need to pressure-test each sump —for an overall saving of about 40p per sump, representing an annual saving of some £60,000 to *the engine manufacturer*.

The steel used is 1.2 mm thick CR1 extra-deep-drawing-quality, and the press is a 600-tonne large bed area Cowlishaw-Walker. The finished sump weighs under 3 kg and is basically rigid. A simple *reinforcement strip* is spot-welded below the bolt flange, followed by welding the drain-plug and two baffles to complete the unit.

More from Tallent Engineering, Aycliffe Trading Estate, *Newton Aycliffe, Darlington, Co.* Durham, DL5 6EY (0325 313232).

INSTRUMENTS

Measures heat with accuracy

LOW COST, fast and accurate measurement of temperature *over the range* −150 to −1750 degrees centigrade is offered with 12 basic models in the 8000 series of digital thermometer. These can be used with a variety of thermocouple, platinum resistance or nickel resistance *sensors*. Each *instrument* is calibrated to the relevant British Standard but may also be supplied to meet DIN, NBS and NF specifications.

Housed in a robust, injection moulded case, each instrument *provides a three or four digit*, seven segment LED readout of 10.2 mm height.

Modular circuit design and the use of a purpose made driver chip ensures *long-term reliability* coupled with low power consumption of less than 45mA.

Using standard HP7 batteries the 8000 series permits more than 12 hours of continual use. Alternatively, MN 1500 *(manganese alkaline)* cells enable as much as 45 hours continuous or 100 hours intermittent use.

A battery recharger complete with five type AA *rechargeable* cells is available on option.

Channel Electronics (Sussex), P.O. Box 58, Seaford, BN25 3JB, Sussex. 0323 894961.

PROCESSING

Vacuum recovery

HEAVY SLUDGES, contaminated liquids, and solids such as cement, foundry sand, blasting grit, mill scale, heavy aggregates, can all be collected with a portable pneumatic vacuum *recovery machine*.

Using compressed air as the motive power, the unit can achieve a vacuum capable of conveying materials over 300 feet horizontally and 100 feet vertically. Pick-up hose diameter is *3 or 4 inches*

There are two models. One has a single cyclone collection hopper with a capacity of 94 cubic feet, which operates on an automatic batch discharge cycle. The other is intended *for continuous operation*, handling large quantities of materials. It has twin cyclones, allowing one to discharge while the other is still collecting.

Details from the maker, Pneumatic Vacuum Conveying Equipment, Unit 27, Halfpenny Green Airfield, Bobbington, Nr. Stourbridge, West Midlands (038488 447).

DATA PROCESSING

Boost for pipework suite

COMPEDA, the technology software marketing company set up by NRDC 14 months ago with a £2m. initial injection, is to market PDMS (pipework design *management system*) launched by the Computer Aided Design Centre (CADC) about this time last year.

To date the only "live" pipework resulting from PDMS appears to have been engineered at George Wimpey and at Harwell, and the object of the new *exercise is to bring more acute* marketing effort to bear both in the U.K. and overseas.

Compeda, with a slogan of "Computer systems for technology," is a wholly-owned subsidiary of NRDC and has been formed to market systems based on the results of university and *Government sponsored research. The object* is to bridge the gap between research workers and industrial users by ensuring that products are specified to meet their requirements.

Apart from the pipework design system, which resulted from work at CADC, Isopipe of Nottingham and Akzo Engineering in Holland, the new company has looked at some 53 university projects and has so *far chosen* four for exploration.

These include Gaelic, a system for the design of integrated circuits and printed circuits boards which originates at Edinburgh University, and others called Automat, Nulisp and Compute which provide work study *engineers* with comprehensive facilities for estimating works costs and producing optimum production line balances.

Also to be offered is a system from Manchester (UMIST) which will enable engine designers to in effect run a "paper engine": all the basic parameters of the design can be fed in and the software will determine the performance.

Compeda is about to start up offices in both New Jersey and *California* in the U.S. in Holland (The Hague) and in Germany (Munich). The company expects to do some 60 per cent. of its business overseas.

It is also laying much emphasis on the idea that it will "still be around" in the years to come and will go on supplying regular technical support. Regular contact *will be made* with customers by back-up teams who will provide program modifications and maintenance support for up to ten years after the initial installation.

Says managing director Keith *Trickett*: "As a subsidiary of NRDC Compeda has the resources and the will to make a major impact."

World bank network

CITICORP International Bank, part of the merchant banking group of Citicorp, has signed a $500,000 contract with ACS (Applied Computing and Software) *for the computerisation* of bank services.

This contract forms part of a larger worldwide contract with ACS to computerise the activities of Citicorp International Group in the three major centres, *London, New York and Hong* Kong, and provide interactive links between each centre.

The contract is on-line mini-computer based using a Prime 400 Mini at each location. The automated merchant banking *functions* incorporate funds transfer, general ledger, Word processing and message switching.

The development in London will take 12 months and the worldwide system about two years.

More on 01-637 0105.

Dialling a U.S. base

DIRECT dial-up access to one of the United State's ten largest computer service bureaux is available to U.K. and Continental European companies.

Announced by the London bureau, LUCS is the opening of a dedicated telecommunications *link to the Kansas City data* centre of its parent company, United Computing Systems Inc.

The direct line provides dial-up facilities for users of remote job entry terminals, and augments the LUCS United Computing PO Tymnet link opened last September for timesharing users.

In autumn, a Cray 1, the most powerful computer in the world, will be added *to the nine large* machines UC is running. At the *same time with the help of the* Uninet network, UC provides the opportunity for companies operating in the United States, Canada and Europe to store, and use at will identical business information.

Further from LUCS on 01-353 1174

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

COMPONENTS

Filter for hydraulic systems

LATEST IN the range of hydraulic systems equipment *from Tell-Tale Filters* is a duplex (twin chamber) unit for mounting in lines working at pressures up to 1,500 psi.

Various models are available for flow rates up to 100 gpm, providing filtration down to *3 microns*. Cleanable or disposable elements are available, and are interchangeable. Remote electrical indication of filter clogging is an option.

Main advantage of the unit is its ability to filter continuously. While one chamber is working, the other is on standby, and changeover between elements is by a pressure-balanced lever.

The filter has an external pointer which indicates "clean," "needs cleaning," and "by-pass," to indicate the state of the filter element. It continues to work in "by-pass" with a minimal amount of liquid being passed unfiltered to hold pressure differential within acceptable limits and prevent element rupture.

More from the maker at Peel Street, Morley, Leeds LS27 8EL (0532 537921).

WELDING

Advances in processes

EVERY FOUR years the Welding Institute holds a conference on the latest advances in welding processes and technology. This year the conference will be at *the Royal Hall, Harrogate*, May 9 to 11, coinciding with the adjacent Welding Engineering Exhibition.

At the conference, speakers from nine countries will present 40 papers. These will be in six sessions covering: Solid phase joining; flux shielded processes; gas shielded arc processes; resistance welding and allied processes; high power density fusion; and applications in heavy section fabrication.

Details from the Institute, Abington Hall, Cambridge CB1 6AL (0223 891162)—delegate's fee is £115.

CONTRACTS AND TENDERS

GOVERNMENT OF MAURITIUS
Ministry of Agriculture and Natural Resources and the Environment

Bulk Sugar Terminal —Port Louis

Ring Mains, Hydrants & Sprinklers

CONTRACT NO. 21

Tenders closing at 1.30 p.m. on Wednesday 10th May, 1978 are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius, in accordance with the Specification and General Conditions of Contract for Contract No. 21.

[illegible]

Ministry of Agriculture & Natural Resources & The Environment

MINISTRY OF PUBLIC WORKS AND MUNICIPALITIES

TENDER NOTICE

Tenders are hereby invited on behalf of the Ministry of Public Works and Municipalities of the Yemen Arab Republic for the Supply of Equipment and Material for Sana'a Refuse COLLECTION AND DISPOSAL PROJECT.

Tender documents setting forth technical requirements and specifications and description of goods can be purchased on any working day between 18.2.1978 to 20.3.1978 from:

— The Environmental Health Department, Ministry of Public Works and Municipalities and/or

— Howard Humphreys and Sons Consulting Engineers, Thornecroft Manor, Dorking Road, Leatherhead Surrey, England.

The price of the documents is YR 250 (Two hundred fifty rials) or equivalent.

Tenders in sealed covers shall be received by the Director of Environmental Health Department up to 12 o'clock Thursday 30 March 1978. The tenderer should obtain a receipt in token of having submitted the sealed envelope to the officer mentioned above. Tenders/amendments received after the date and date mentioned above shall not be accepted.

All tender papers shall be signed by tenderer. His signature at the end of the quotation must be witnessed.

Tenderer shall quote his rates in figures and in words without any *overwritings and corrections.*

Sealed tenders will be opened by the committee at the Ministry of Public Works and Municipalities on Saturday 8 April 1978 in the office of the Deputy Minister of Public Works (Municipality Sector). The Tenderer is requested to be present at the opening of tenders/quotations.

BRIEF DESCRIPTION OF GOODS/EQUIPMENT

Part 1 : Refuse collection vehicles (14 of various capacities container cleansing vehicle (1) container transporter vehicle (1) and refuse containers (1680 of various sizes)

Part 2 : Small refuse container pickup vehicles (18), and tipper lorries (2).

Part 3 : Refuse loading shovels (2).

Part 4 : Bins and orderlies.

Above equipment to be supplied CIF Hodeida within 25 weeks from the date of acceptance of tender.

The tender should be accompanied by bond/security for the sum of YR (350,000) Three hundred and fifty thousand and valid for 6 months.

Eng. Abdullah H. Korshomi
Minister of Public Works and Municipalities

GOVERNMENT OF MAURITIUS
Ministry of Agriculture and Natural Resources and the Environment

Bulk Sugar Terminal —Port Louis

Fire Pumps

CONTRACT NO. 22

Tenders closing at 1.30 p.m. on Wednesday 10th May 1978, are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius in accordance with the Specification and General Conditions of Contract for Contract No. 22.

[illegible]

Ministry of Agriculture & Natural Resources & The Environment

SUDAN RAILWAYS
STORES DEPARTMENT

CONTRACT NO. 5084
SUPPLY OF 7 (SEVEN) TRACTORS

CONTRACT NO. 5085
SUPPLY OF 2 (TWO) SAND PLOUGHS

CONTRACT NO. 5086
SUPPLY OF 10 (TEN) DIESEL DRIVEN INSPECTION CARS

1. Controller of Stores, Sudan Railways, Atbara invites tenders for supply of 7 (Seven) Tractors, 2 (Two) Sand Ploughs and 10 (Ten) Diesel Driven Inspection Cars.

2. Tenderers should quote for each tender seperately and each offer should be put in a separate envelope.

3. Details, Specification and drawings can be obtained from the office of Controller of Stores P.O. Box 65 Atbara or from the office of Stores Representative at Khartoum Tel 74703 on submitting a written application bearing 50% stamp duty and payment of Ls. 3.000 for each copy of details and specification for contract No. 5084, Ls 5.000 for each set of details, specification and drawing for Contract No. 5085 and Ls 3.000 for each copy of details and specification for contract No. 5086

4. The closing date fixed for acceptance of tenders in this office are as follows:—

Contract No. 5084 Saturday 22nd April, 1978 at 12.00 hours noon
Contract No. 5085 Saturday 29th April, 1978 at 12.00 hours noon
Contract No. 5086 Saturday 6th May, 1978 at 12.00 hours noon

OFFICE OF CONTROLLER OF STORES

N.B.: DOCUMENTS ARE ALSO SOLD AT
SUDAN GOVERNMENT PURCHASING AGENT,
OF 3-5 CLEVELAND ROW,
ST. JAMES'S, LONDON SW1.
IN STERLING AT RATE OF £1.000 M/M EQUALS £1.50.

CONTRACTS AND TENDERS
APPEAR EVERY MONDAY
For further details contact:
FRANCIS PHILLIPS on 01-248 8000 Ext. 456.

هكذا من الأصل

Building and Civil Engineering

£18m. Sudan road project

AS AGENT of the Sudanese Government, the Rahad Corporation of Khartoum, in conjunction with the Roads and Bridges Public Corporation, has awarded a contract worth about £18m. to Sir Alfred McAlpine and Son AG. It is for construction of the Rahad road system to afford access to land covered by the Rahad irrigation project. This is the development of irrigated agriculture in an area of about 126,000 hectares of semi-desert on the east bank of the Rahad river.

The road network will consist of 80 km of spine road and 80 km of feed roads, with the spine road leaving the Wad Medani to Gedaref road about 14 km from Wad Medani. These roads will consist of an embankment about one-metre high of granular material laid on compacted black cotton soil and paved with 250 mm of crushed stone.

Structures will include an 84-metres-long, five-span, reinforced concrete bridge, with piled foundations for the piers and abutments, over the Rahad river, and there are to be about 30 other structures varying in size from a 27-metres-long, reinforced concrete, two-span bridge, to 1.2-metre-diameter culverts. About 200 smaller culverts are also included in the works.

Work is due to commence in June, but a camp, administration offices and plant depot will be established near Wad Medani prior to that. Plant and materials will be transported in a specially chartered ship from the U.K. to Port Sudan, and most of the plant will then be driven in convoy to the site. A quarry will be set up to provide the necessary road construction materials.

£2m. awards to Scott Hale

CIVIL engineering contracts worth over £2m. have been awarded to Scott Hale (Contractors).

The biggest contract is from the London Borough of Newham and is for a new main access road to Beckton to serve the development planned in the area of the Royal Group of Docks.

Costing £1.2m. it calls for 2.61 kilometres of 7.3 metre wide carriageway, including three roundabouts. There will also be 1.6 kilometres of surface water drainage in open cut requiring the use of dewatering techniques and special trench linings.

Other awards include improvements to the A12 junction with Mawney Road (£185,000) and surface water sewers at Upminster Road South (£47,000) for the London Borough of Havering, a junction improvement at Selsdon Park Road (£154,000) for the London Borough of Croydon, roads and sewers at Storrington, Sussex (£134,000) and footbridges at Twickenham and Sunbury (£105,000) for the Greater London Council.

Work in the Midlands

COMPANIES IN the Searson Group have won contracts worth over £6m. for work in the Midlands.

Largest job is for 164 dwellings at £1.4m. for East Staffordshire District Council at Mona Road, Burton-on-Trent. For the City of Birmingham, 70 dwellings are to be built at Oscott College for £0.8m., and 48 dwellings are to be built at Beeston, Notts., for the Royal British Legion Housing Association at £0.4m.

Under a joint venture scheme with Nottingham City Council, 83 houses are to be built for sale at The Meadows under a £0.7m. contract. At Countesthorpe, Leicester, for the County Council, a high school is to be built at £0.4m., and at Batley 42 dwellings on two sites for Kirklees Metropolitan Borough Council, also at £0.4m.

The Group reports that it has obtained planning permission on 214 housing plots on five sites, with a created value of over £2m., and expects to sign contracts for two further schemes worth £1½m.

Tiles made on building site

A MOBILE concrete roof tile plant has been developed by Redland Roof Tiles.

The complete unit can be transported on not more than six 20-tonne lorries and no single piece of equipment is more than 20 feet in length. Site requirements are a simple canopy, a concrete apron, water and fuel oil for the concrete curing system. Electric power can be provided by a skid-mounted generator.

Production is based on an output of 5,000 tiles per eight-hour day. The plant which produces smooth-surfaced plain or through-coloured interlocking tiles is designed for relatively labour-intensive operation but can be successfully manned by a minimum of nine people, says Redland.

Developing a trading estate

PROPOSALS for 260,000 square feet of light industrial warehousing within an 18-acre partially completed site on the A8 Edinburgh road at Baillieston, Glasgow, are to be prepared by Scott, Brownrigg and Turner (Glasgow) for the Municipal Mutual Insurance Co.

Five warehousing units on the estate, one of the largest in the Strathclyde region, are already occupied and planning consent has now been obtained to develop the remaining 14½ acres of land. Tenders are expected to be invited soon.

It is expected that 15 units will be built for letting. Building costs are estimated at £3m.

Factories to be built

BIGGEST CONTRACT in recent awards to companies in the Douglas Group is for the construction of seven factories at £1.9m. for Telford Development Corporation at Stafford Park, providing a total area of 21,004 square metres production space and 2,253 square metres offices.

The factories are steel framed on strip footings with concrete floors and the offices will have load-bearing brick walls. Work is now starting and the factories will be handed over progressively from November this year to July next year.

The company is demolishing the Larden Road works of CAV at Acton and replacing it with a steel-framed single storey building measuring 100 x 53 metres under a £0.9m. contract.

Other large contracts are for a factory extension at Skelmersdale for Richardson-Merrell for £0.6m., and a building for Associated Tyre Specialists (North West) at Altrincham valued at £0.4m.

Altogether the group has won contracts totalling £7.5m.

Pipe-making in Nigeria

TURNER AND NEWALL is to spend a further £1.8m., in addition to the £6m. expansion announced in 1977, on new plant for pipe manufacture in Nigeria. The latest investment will finance a diversification project at Turners Building Products (Emene) to build a plant for the manufacture of plastic pipes.

The pipes will be made in the 75-200 mm. diameter range, allowing the company's existing asbestos-cement pipe plant to be used increasingly for the larger diameter pipes required for water distribution, sewerage and drainage. They will be sold through the existing Nigerian pipe distribution network.

Controls the sun blinds

AN AUTOMATIC control system for the operation of sun blinds and awnings mounted on the exteriors of buildings has been put on the market by Solar Protection Equipment.

The equipment has been devised to operate at pre-set levels of sunlight and wind speed but at the same time allow for short cloudy periods when it would be unnecessary to withdraw the blinds.

Light intensity range for operation is 3,000 to 30,000 lux and wind speeds from Force 2 to 12. There is only a delay of 15 seconds when the wind speed threshold is exceeded: there is a manual override facility for the solar function of the unit.

The system can be used with any installation where blinds are powered by electric motors. Details of the equipment can be obtained from the company at Station Road, Alresford, Hants. (Alresford 3014).

Motel in Syria

AT HAMA, near Damascus, Syria, a 110-bedroom motel is being supplied by the Lesser Group under a contract worth £1m. The 10,000 square metres building will accommodate some 250 people.

Included in the contract are buildings and services, and the supply of kitchen equipment and furnishings for the restaurants, lounges and bedrooms. Started in January, the work will be completed by May.

Initially the motel will house personnel of the Czechoslovakian company Techno Export which is building a pneumatic tyre factory at Hama.

Flats in Durban

LTA CONSTRUCTION (Natal) has been awarded a R4.5m. contract for the construction of a 38-storey block of flats for the Metal Industries Group Life and Provident Fund in Durban.

On the site of the old YWCA building on the Victoria Embankment, it will adjoin the Durban Club and Devonshire Court and Devonshire Parking Garage.

The block, on piled foundations, will be the tallest residential building in Durban. On the lower levels there will be four floors of parking facilities, two squash courts, a pool deck which will incorporate a swimming pool and change rooms, outdoor and indoor play centres for children, and a nursery school. The upper levels will contain 129 flats.

Upgrading flats

MODERNISATION OF flats on two estates owned by the Sutton Housing Trust is to be carried out by Corrall Construction under a contract worth nearly £2m.

At Upper Street, Islington, 198 flats are to be converted over a two-year programme into 158 modern flats, while at Cale Street, Chelsea, 159 flats will have kitchens and bathrooms modernised, heating installed, re-wired and decorated in 40 weeks.

£1.3m. homes project

ACCOMMODATION for elderly and disabled people, with easy wheelchair access to the nearby shops, is included in a £1.3m. housing association project in Cleveland.

The contract, for 127 homes in Cass House Road, Hemlington, near Middlesbrough, has been awarded to John Laing Construction by Habinteg Housing Association. Work has just started and completion is due by the autumn of 1979.

The development will comprise bungalows and two- and three-storey houses, flats and maisonettes. They will be of traditional construction and arranged in small blocks in courtyard configurations to engender a neighbourhood atmosphere.

£2.3m. Hull housing

GEORGE WIMPEY has won two contracts valued at £2.3m. for the construction of 314 dwellings at Bransholme North for the City of Kingston upon Hull.

Both schemes, which are designed by the Hull City Architect, are to be built in Wimpey's No-fines concrete technique.

Homes for well over 1,000 people will be provided in 236 two-storey houses, 26 two-storey flats and 45 bungalows. There will be a further seven one person link flats to be built in traditional brick construction.

Cranes for Hong Kong

RICHARDS and Wallington Industries and the Sime Darby Group have formed a joint crane hire company in Hong Kong.

Trading as Crane Rental and Rigging (HK) the venture is in equal partnership. The new company will operate a fleet of lorry-mounted cranes up to 125 tons capacity.

Crane Rental and Rigging will also offer for hire rough terrain telescopic jib cranes and a comprehensive heavy lifting and rigging consultancy service.

Sime Darby is one of Richards and Wallington's two partners in the crane and plant hire activity, P.T. First Indonesian Plant Hire, set up in Indonesia three years ago.

£3m. steel order

CLEVELAND Bridge and Engineering Company has won structural steelwork orders worth £3m. for two major overseas construction projects. In both cases the main contractor is Cementation International.

For the LOT Polish Airlines complex in central Warsaw, Cleveland Bridge is to supply 3,000 tonnes of fabricated steelwork for the four storey podium of a 43 storey building. For the Galadari Corniche project in Dubai, the company is supplying and erecting some 2,000 tonnes of steelwork for the tower columns and beam and column framework to the podium.

● The Overseas Division of GKN Mills Building Services has secured an order worth £150,000 to supply the company's metric soffit and wall formwork system, Millform 300, for the construction of a low-cost housing project in al-Jahra, 35km north of Kuwait city.

Rail and bus interchange

ROBERT WATSON AND CO. (Constructional Engineers) have been awarded a contract worth about £¾m. for a bus and railway station interchange at Bury for Greater Manchester Passenger Transport Executive.

Two crescent-shaped roofs will be constructed over the bus station which will include an office block. A canopy is also to be built over the railway station platform. The bus station will cover an area of about 70 metres x 160 metres.

IN BRIEF

● William Moss (Construction) has been awarded a £5m. contract for alterations and additions to factory premises at Braunstone, Leicester, where Metal Box is setting up a new £27m. can-making plant.

● A £150,000 contract for the design and supply of steelwork and exterior cladding for storage buildings at a new sugar factory in Juba in Somalia, has been awarded to Fairmile Engineering of Poole, Dorset.

● Construction of 48 senior citizens flats for the Royal British Legion Housing Association is to be undertaken by Robert Marriott (French Kier Group). Value of the contract is £366,000.

● Wimpey Laboratories and Polytechnic Marine have formed a joint venture company registered as Wimpey-Polytechnic Offshore and trading under the name "WIMPOL." The new company, which is 50 per cent. owned by Wimpey and 50 per cent. by Polytechnic Marine, will specialise in offshore survey and inspection. Wimpol's business premises are for the time being located at Wimpey Laboratories, Hayes, Middlesex.

● Thomas Weatherald is to build a 685 square metre factory for Furness Footwear, of Dalton in Furness, Cumbria, at a cost of £90,000.

● Quoting some "dire warnings" of the losses that can be caused by fires starting in temporary buildings on construction sites, British Engine Boiler and Electrical Insurance Company has published a 12-page "Guide to Good Practice" concerning the scope, siting, preferred construction, etc., of huts and site offices. Copies are available from British Engine on 061-833 9282.

● An international conference, symposium and exhibition on dredging and tunnelling is to be held at the RAI Complex, Amsterdam, November 14-18, organised by the Royal Institution of Engineers, Netherlands, in co-operation with the Europort Organisation, from whom further details can be obtained at Waalhaven ZZ44, 3088HJ Rotterdam.

The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

3eware your programmer!

Last month two former ICI employees received heavy jail sentences for stealing key computer tapes. Max Wilkinson reports on the risks of computer fraud.

MPUTER-AIDED fraud and prevention has become a hly-sophisticated battle of s in which many managers re only the haziest idea of the und rules.

The clever programmer on imate terms with the codes d symbols used by his comny's machine has an enormous vantage over anyone trying to tect *fraud by reading the* al figures.

Take, for example, the man o reprogrammed a machine to btract a few cents from every nsaction *made by the com*ny and pay the "lost fracns" into his own special count. His fraud was only scovered because it was too *ficient. The man* became armed at the large sums he as embezzling and realised at if he stopped the fraud ere would be a suspicious inease in the company profits. he confessed.

A simpler method used by e programmer was to instruct e computer to pay him extra lary cheques. He was disvered when the surplus eques were seen piling up on is desk while he was on holiay. In neither case could the aud have been detected by inpecting the actual operation of e computer.

Even when such frauds are scovered, companies often *refer not to prosecute.* However, there is little doubt that he losses involved are fairly arge.

An inquiry by the Stanford Research Institute, of California, indicated that only about per cent. of computer fraud *cases are attributable to pro*grammers. But this is not a reassuring figure. Not only can direct interference with programs be extremely difficult to detect, but the relative *sophisti*cation *of programmers means* that the amounts of money involved may be high.

An analysis of known losses in 65 cases of all types of fraud involving information held on computers between 1964 and 1973 showed the average loss to be *about $1.4m.*

Naturally data processing managers and systems designers have devised a whole range of security checks to make fraudulent *interference with the* programs as difficult as possible. *For example,* program libraries and data stored in the computer can be protected by secret codes known only to senior staff. Unless the computer is *given* the relevant code, it will not allow the program or data *to be altered.*

However, the fraudulent programmer can break down this barrier quite easily, and sometimes he takes a keen *intellectual delight in doing so.* One method is to get the computer itself to break the password. The programmer could for example instruct the *computer to run through every* number from zero to 1m., which it can do in 10 seconds.

Every number is run through in sequence until the "pass*word" is reached* Then the computer will automatically release the secret file.

A more serious limitation of most security systems, however, is that they *operate on the higher level programming* languages — which resemble everyday English—rather than the much more detailed machine code which may be employed to commit the fraud.

To appreciate the danger, managers need to know the three basic phases in the evolution of a computer program. Consider, as an example, a program needed to guide a robot from St. Paul's Cathedral *to Kings Cross in London.*

FIRST: The systems analyst defines the problem (getting robot from St. Pauls to Kings Cross) and outlines the basic strategy ("Walk down Ludgate Hill and catch the bus").

SECOND: The "source programmer" works out in a high *level general language all the* evolutions needed to execute the analyst's grand design (Which side of the pavement to walk, how many steps, how many left *turns to the bus stop,* every action needed to cross the road safely, how to recognise the No. 17 bus, what to do if it is full and so on). This detailed list *of instructions cannot,* however, be understood by the robot's computer, because the computer can only understand machine language not the higher level programmers' language.

THIRD. Translation of the generalised programme language into the machine code used by the particular computer. This is more detailed and *much more tedious. It specifies* not merely every movement of every limb during the journey but every one of the thousands of computer operations needed *to define each movement.* This "executable programme" would have to dovetail with all the routine programs built in to the machine as, for example, the *program to make it keep its* balance.)

This laborious translation *itself can* usually be done automatically by a computer, using a standard program. But it is also possible for programmers to make subtle alterations *which,* to continue the analogy, might make the robot deliver an *unauthorised document,* en route.

It is within the labyrinthine *complexities of machine coded* instructions that security is *most difficult to enforce. For* the manager can have no certainty that the source program checked by himself or the accountant has been accurately *translated, or once translated,* has been kept inviolate.

This difficulty is accentuated *by the frequent need to update* programs, for example, to *accommodate tax changes or* new procedures.

How can the manager be sure *that only the specified changes* have been made and that fraud or incompetence has not been allowed to interfere with the routines he wants to be pre*served?*

One answer, revealed only this month, is a special program developed by one of the leading American software houses (program writing companies) to act as a sort of security guard over all the tapes and discs where machine language programs are stored.

This package, developed at a cost of $1m. by Pansophic of *Chicago* can be used only on the larger IBM360 and 370 machines. It is claimed to *be the first system of its kind* to cope with surveillance and *management of programs at the* machine-language level. It also does a series of routine file management chores related to the updating of programs and *relegating those which have* been superseded to the archives.

But from the general manager's point of view perhaps the most interesting point is that *it includes a series of codes and* safeguards which Pansophic claims would be almost impossible for a bent programmer to crack.

Mr. Bill *Dunn, the company's* U.K. manager explained that the security locks were incorporated into the program as "irreversible algorithms," which means they are cunningly concealed in the actual structure of the program. Anyone *who tried to tamper with them* would find the whole system fell apart and the computer would stop running.

The series of numerical keys and locks built into the system allows only designated people *to alter programs. Furthermore* all alterations to, and usage of, programs is recorded and filed automatically.

That means, for example, that an executive could make a simple check to find out how many times the payroll program *had been run in a* given week. If more than once, he might become suspicious and call up to discover whether any alterations had been written in *that week. Furthermore, if the* system detects that someone is attempting to break a code by trying out numbers, it will automatically shut down and inform the management. It would be impossible to make such checks, *Mr. Dunn says, on any* IBM machine which did not use his new system called PANEXEC. However, IBM says that some of its latest *operating systems incorporate* some of the security checks offered by PANEXEC.

The package is expensive at £6,000 a year for each machine which uses it but Pansophic claims the cost is more than recouped from the better housekeeping and maintenance of program files.

Company benefits are moving beyond the fringe

THE PROLONGED pay restraint of recent years and the high level of taxation have resulted in a continuing expansion of fringe benefits. But the considerable increase in *employee* expectations has not been matched by a change in company policies, so that "pockets *of dissatisfaction*" have developed.

These are two of the main points to emerge from a new British Institute of Management survey on employee benefits.*

Some 48 per cent. of the 400 companies surveyed had made *improvements* or added to their employee benefit package during the last *three years of pay* restraint, according to the report: 45 per cent. were committed to improving benefits as and when pay restraints are *lifted.*

What is particularly significant, according to the survey, *is the considerable narrowing* in the difference between benefits available to staff and manual employees since the last similar survey in 1973. This is part of *many companies'* policy of reducing "status divisions," so the lower levels of management, clerical and manual employees will enjoy comparable benefits *and conditions.* But it notes that this process is "by no means complete or accepted as inevitable": there are still considerable areas where entitlements *are still mainly managerial.*

In addition, the BIM says that at top management level the *range of benefits is likely to in*crease: it expects this situation to continue until there is *a change in calculating personal* taxation.

Improvement

Most of the improved benefits during the first two years of pay policy were of little or no cash value, but the latest round has spawned a wave of claims for benefits, "just as prominently at the bargaining table *as pay, both at shop floor and* non-manual levels."

One change in taxation which has helped *the middle manager,* the BIM notes, is the raising of the threshold above which benefits are taxable, from £2,000 to £5,000 in 1976, with a prospective further increase to £7,500 in April this year. In spite of this, the survey warns that until income-tax levels are reduced, employers will continue to develop benefits for the highly taxed. "*It can often be cheaper* to provide a benefit than it would be to provide the same *net increase in salary — even* if incomes policy allowed."

The greatest growth in employee benefits has been in pensions, with 55 per cent. of the *surveyed companies reporting* main additions or improvements since 1973. There were also major improvements in the provision of holiday entitlements, sick pay, *medical* insurance and company cars.

The survey did not find that *the decision to improve benefits* was related to company size, but it did note that certain sectors of industry had made greater advances: in particular were food, drink and tobacco companies, instrument and electrical engineering, printing and publishing and holding companies.

Surprising

One particularly surprising aspect in the report is that only about a fifth of companies regularly calculate the cost of the benefits they provide. As it points out: "In 1973 benefit costs represented less than 20 per cent. of total payroll costs in a significant number of companies. This is no longer the case and, especially in larger companies, figures well in excess of 30 per cent. are not uncommon."

However, all those companies which employed remuneration specialists made regular checks *of the costs of employee bene*fits. The survey predicts that as the costs of benefits rise companies will become more rigorous in their examination: "and will assess *their value* more carefully in attracting, retaining and motivating employees."

* *BIM Management Survey No. 37, Employee Benefits, British Institute of Management Publications, Management House, Parker Street, W.C.2. £10 to members, £20 to non-members.*

Jason Crisp

Business Courses

Strategy and Tactics for Effective Takeovers. The Sheraton Park Tower Hotel, London. April 24-25. Fee: £140, plus VAT. Details from Eurotech, Management Development Service, 92, Fleet Street, London EC4.

International Tax Conference. The Atlantis Hotel, Zurich, Switzerland. April 19-21. Fee: B.Frs.25,900. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels. Telephone 219 03 90.

Business Strategies in the Middle East. Grosvenor House, London. April 6-7. Fee: $525. Details from AMR International, 6-10, Frederick Close, Stanhope Place, London W2.

Personnel Management. Center for Education International Management, Geneva, Switzerland. April 17-21. Fee: Sw.Frs. 2,500. Details from the Admissions Secretary, Centre d'Etudes Industrielles, 4, chemin de Conches, CH-1231 Conches-Geneva, Switzerland. Telephone (022) 47 1133.

Recent Developments in Economics, Brunel University, Middlesex. April 25-28. Fee: £175. Details from Brunel University, Uxbridge, Middlesex.

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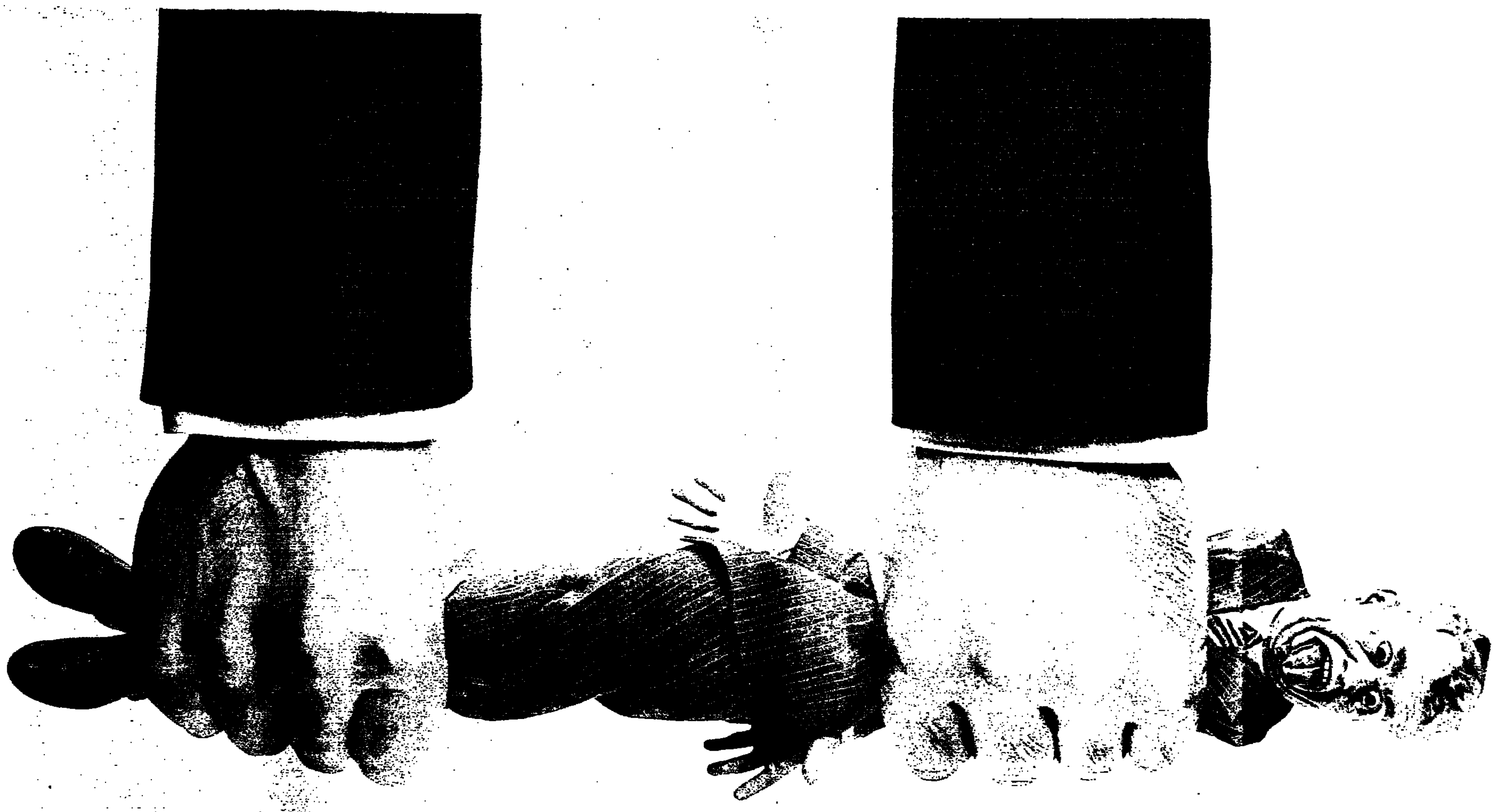

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;ory economics ınd the City

PETER RIDDELL

E CONSERVATIVES appear be overcoming some of their dibility problems on economic icy, at least in their natural ıstituency of the City. The we Rudd survey of fund ınagers indicates a more ourable market response to a ry election win than a year ɔ when the Lib-Lab pact was reed. There is less talk now out how Mrs. Thatcher would t on with the unions though I spect there is still a pretty :eable group in the City which, least privately, would be conıt with a continuation of a llaghan/Healey administration.

Worrying

The improvement in the Conırvative standing in the City is ɔ doubt in part associated with ıe approach of the election and ars of a possible leftward shift Labour post-Callaghan. And ıe Tory leadership has been orking hard to answer any uestions about the nature of its :onomy policy with speeches by Irs. Thatcher in the City, a ıng policy document (*The Right pproach to the Economy*), a lear commitment on tax cuts in ıe recent Commons debate and, ıst Thursday, a major speech on ıonetary policy by Sir Geoffrey lowe. But the statements have ertain worrying features.

Sir Geoffrey left no one in any oubt that he is the rising hope f the stern and unbending ıonetarists (to misquote Iacaulay on the young Gladtone). His discussion of the ıresent position—the difficulty of ecuring a significant reduction n either price inflation or unımployment on present policies —would certainly receive wide ıpport, as would his view of ıonetary policy as providing the ıecessary framework for the ıtability essential to the achievenent of other objectives.

The objections arise over Sir Geoffrey's interpretation of ıonetarism and his suggested accompanying institutional reforms. He is less than completely fair to the recent speech on economic management from Sir Douglas Wass, the Permanent Secretary to the Treasury. While Sir Douglas was certainly sceptical about the exact relationship between monetary policy and prices and output, he basically argued for a balanced approach with a monetary target consistent with a fiscal stance. Indeed in view of Sir Geoffrey's criticisms I wonder how discussions between ministers and officials on monetary policy would go if he became Chancellor after the election; perhaps Harold Pinter ought to provide a script.

Sir Geoffrey has few doubts that monetary policy should be accorded primacy over fiscal policy and he stresses the need for a gradual reduction in the rate of growth of money supply in line with firm targets. This de-escalation has proved to be beyond even some of the more successful economies, though it is certainly a desirable long-term objective. Sir Geoffrey rightly warns about the dangers of a *rolling* target as merely a presentational device to conceal a *relaxation of control* but he underrates the need for *flexibility*.

There may be a need for alertness in face of "neo-Keynesian scepticism and political expediency within the Treasury" but there is surely a middle way between this and Sir Geoffrey's brand of monetarism with its incidental belief that public spending should not be increased.

But where I find Sir Geoffrey's *speech both most stimulating* and, in parts, least plausible is *the section on spreading* monetary understanding. His ideas for *establishing some kind* of forum—possibly a broadened Neddy Council, including the Bank of England—so that the *major participants in the* economy could consider together the Government's fiscal and monetary policy is sensible.

Independence

Sir Geoffrey is right to call for greater Parliamentary involvement in monetary policy via closer public contact with the Bank but quite wrong to argue that this should be linked with greater independence for the Bank. There are, of course, many drawbacks in the present system where monetary policy is subject to short-term political and electoral influences.

But there is no way in which decisions on monetary targets and interest rates can, or should, be taken away from the responsibility of central government, to be given either to some special currency Board or a more independent Bank of England. The Bank is an integral though clearly special part of the administration and attempts "*greatly to strengthen the power* of the Bank to resist interference from government" would be misguided. We do, after all, elect a government to be responsible for monetary policy.

THE WEEK IN THE COURTS

Wider view of Closed Shop

BY JUSTINIAN

THE CLOSED shop, that political football of industrial relations, has bounced on to the international legal scene. The European Commission of Human Rights has admitted an application by two workers who claim that the Trade Union and Labour Relations Act 1974 is a violation of the European Convention on *Human Rights*, in so far as it imposes the closed shop.

Article 11 of that convention guarantees the right of freedom of association with others. But does that include the freedom *not* to join an association? On the face of it, the article does not prohibit the closed shop system, whereby a man cannot be employed ("pre-entry") or cannot remain in employment ("post-entry") unless he is a member of a particular trade union.

In many countries the freedom not to organise is put on a par with the freedom to organise. It is argued that if *people have the fundamental* right to join a union, they have the equally *fundamental right* not to do so. The law should not prevent anyone from being a union member, nor should it compel him to enter a *union*.

Attractive

But this is not enough. Just as the law must see that people can effectively exercise their freedom of association, and must take positive steps to ensure this, so it is not enough to reject the principle of legally compulsory unionism. The law must also protect people from being pressed to join. No one must be faced with the choice *between joining* a union he does not want to join, and not obtain*ing or holding a job* he wants to obtain or to hold. This is as *obnoxious* as exposing him to the dilemma between getting or *holding a job and joining or* remaining in the union of his choice.

For many people this reasoning appears to be intellectually attractive. Its symmetry is superficially satisfying—satisfying enough for it to negotiate the first hurdle in the legal procedures at Strasbourg. But there is a long way to go before the European Commission and/or the European Court of Human Rights finally determines the issue.

The *legislative saga of* the closed shop in U.K. started with the Industrial Relations Act, 1971. Under that legislation the employer could not act on a closed shop agreement or practise without the risk of being sued for the equivalent of damages by a non-union member who suffered from this.

The employer might have welcomed it if a worker *joined* a union the employer had recognised, though this involved discouraging workers from joining another union. But apart from that *he might* neither prevent nor deter a worker from staying outside any, or a particular organisation. If he insisted on doing so, the employer might not for that reason dismiss the worker or penalise him, or discriminate against him, or refuse him any benefit he gave to union members.

If the employer, under the 1971 Act, *did any of those things the* worker could go to the Indus*trial Tribunal* and get an *order* against the employer for damages up to 104 weeks' pay, or £4,160. The union might have to contribute to that award if the worker acted under pressure.

The Trade Union and Labour Relations Act, 1974, swept away that ill-fated piece of legislation. Under the present law an employee who is dismissed from his employment on the ground that he refuses to join a union in a closed shop employment cannot for that reason claim that his dismissal is unfair. In effect, the law sanctions the closed shop to the point that the workman who declines to join the union in the closed shop *system* has no remedy for refusing to accept *union membership*.

Paragraph 6(5) of Schedule I *to the 1974 Act provides that* dismissal of an employee by an *employer shall be regarded as* fair if the reason for the dis*missal* is that *the employee* was not a member of the specified *union, or had refused or pro*posed to refuse to become or *remain a member of* that *union*.

The only exception is where the *employee genuinely objects* on grounds of religious belief to being a member of any trade union whatsoever, or on any reasonable ground to being a member of a particular trade union, in which case the dismissal is regarded as unfair.

The question which the European Commission on Human Rights will have to decide is whether that provision does contravene the convention. The preparatory work on the framing of the convention, way back in 1950, shows that the authors were alive to the issue of the closed *shop. It was on account* of the rival views about the *closed shop that it was thought* undesirable to include specifically the principle which had been set out in Article 20(2) of the Universal Declaration of Human Rights, to the effect that no-one may be compelled to belong to an association.

The Universal Declaration of *Human Rights deals with the* right that no one shall be com*pelled to belong to an association* as distinct from the right of association in general.

Provision

The two applicants before the *European Commission* are arguing that the freedom not to *associate is simply the reverse* side of the provision which pro*tects the right to associate*, and that there is no significance in the *omission from the Euro*pean convention of the freedom *not to associate*. But *the* British Government points, with *force*, *to the fact that the authors of* the European convention *deliberately did not replicate the* provision in the first modern instrument on human rights.

There is perhaps nothing very extraordinary in the 1974 Act aimed at upholding and enforcing the closed shop. In practice in the industrial countries of Western Europe the law has never been very effective in shaping or reshaping industrial relations. Workers seeking employment are not likely to obtain work without a union card. And if they happen to be *in an industry* where hitherto there has not been a closed shop, *the attempts to enforce 100 per* cent. membership will not unduly *perturb* the vast majority of workers. The deprivation of the *right not to join a union has only* symbolic effect. Whether that pragmatic approach will *persuade* the European Commission to decide the legal question in the case of two workers who do object to the closed shop remains to be seen.

Call to change mining rights procedure

A CHANGE in the procedure for opencast mining applications is being called for by Greater Manchester which claims that at present the Energy Secretary can act as judge and jury.

The council is asking that future applications for opencast coal mining be determined by local authorities.

The council's planning committee says that under present rules the Energy Minister determines coal extraction targets and opencast mining applications, creating a potential conflict.

It is calling on the Energy *Department to give a clear state*ment of what opencast operations are envisaged for Greater *Manchester* over the next 10 years.

Albion's team effort ends Forest dream

SOCCER

BY TREVOR BAILEY

NOTTINGHAM Forest's remarkable run of 22 matches without defeat and dreams of that never-attained treble were abruptly shattered at The Hawthorns on Saturday. West Bromwich Albion swept *them out of the sixth* round of the FA Cup with a most impressive 2-0 victory in a *splendid* game packed with positive, entertaining football.

The first goal came in the 16th minute, when the ball was *flicked to Martin. He lobbed over* the head of Shilton, who was caught in no man's land. The second, immediately after the interval, was reminiscent of goals by British centre forwards of the past. A long first-time clearance, combined with an awkward bounce, caught the defence square. Regis, who had caused many problems for Needham with his strength, balance and timing, raced through the gap to hit the perfect ground shot from outside the box into the far corner of the net.

Forest, never at their most fluent, *tried desperately to re*duce the arrears. They went *close on several occasions* but it was just not their day. There can be no doubt that a totally committed Albion deserved to win.

The match provided an opportunity to compare those two outstanding Scottish *left-wingers*, Willie Johnston and John Robertson. The former finished ahead on points, but was fortunate to be up against a makeshift right-back. *In this form*, he should be an integral part of Scotland's *World Cup* side. He possesses superb control, two good feet, arrogance *and confidence*.

His one weakness is a hair-trigger temper, which brought him a warranted booking, and could prove fatal in South America.

Because it was essentially a team effort, *it is perhaps in*vidious to single out individuals *in the West Bromwich side*, who must now stand a fine chance of *carrying off the Cup. But*, on this showing Statham must be a serious candidate *for the* left-back position in the England XI. Tony Brown's *forward running* constituted a perpetual threat. Wile and Alistair Robertson defended resolutely. Trewick is a much better wing-half than is *generally* realised outside the Midlands.

The Forest rearguard, without their regular full-backs, lacked some of their usual poise. The attacking flair of Anderson was also missed. After this setback, can they beat the experienced and clinically efficient Liverpool at Wembley next week, when they will be without the services of Shilton, Needham and Gemmill, all Cup-tied?

Having seen the Merseyside machine defeat WBA recently, my money must be on them. But Woodcock is a splendid taker of half-chances and capable of scoring against any defence. Whatever the result, it promises to be a memorable League Cup Final.

Racecourse finish for Wrexham

THE HEROICS are over. Having previously beaten First Division clubs Bristol City and Newcastle at home after drawing away, Wrexham made a glorious sixth-round FA Cup exit when they lost 2—3 at the Racecourse Ground to Arsenal's renaissance side on Saturday. Now they must buckle down to the bread-and-butter job of clinching promotion—a task in which they were pipped at the post last season.

When that is accomplished, Wrexham will truly be the soccer capital of Wales—and not just because the Welsh FA has *its headquarters there, away* from the Rugby-saturated south.

Arsenal's players were full of praise for their highly skilled *rivals after an excellent game*, fought in a fine spirit. There is a consensus that Wrexham have the talent to thrive in the Second Division. I believe that provided McNeil is given a stronger fellow striker to assist in coining the many chances Wrexham create, they could make a strong challenge for promotion from Division II next season.

McNeil kept up his splendid record of scoring in each tie, and totalled 12 *goals in 10 Cup games*.

Off the field, too, Wrexham are thriving. The accommodation has been improved, a social club —part of the new grandstand— generates a good cash flow, and I understand that the fund-raising competition is bringing in about £45,000 a year.

The brightest player in a game crammed with attraction was Arsenal's young Dubliner, Liam Brady, who will *surely* soon gain full recognition as the most valuable player in British football. He has been reported as saying that when his contract has ended he would like to play on the Continent.

His departure following those of England players Keegan to West Germany and Tueart to the United States, would be a sad thing for British football. There can never be too many genuinely creative players for our game, and there are signs that, along *with the advent of the Green*wood era, the climate for these *players to flourish is definitely* improving.

Brady, comparatively slight leans over the ball studiously and caressingly, *shielding it* shrewdly. Blessed with peripheral vision and extra-sensory perception, he can both glide away from a *lunging tackle* and spot a free, distant colleague without seeming to look. All this is backed with an accuracy of kick in the *Haynes* class—maybe better.

Two *failures* by Roberts to clear Brady corners brought *deadly crosses from Brady* that quickly took Arsenal from 1-1 to 3-1.

My idea of the second best player was Wrexham's No. 6 Thomas, a highly creative midfield dynamo. Not far behind was tricky winger Shinton, who helped in both his side's goals, and right-back Hill. Price and Sunderland were also prominent for Arsenal.

Amid all the thrills and the glory, one had the feeling that Arsenal were playing with a little in hand, ready to engage super-drive had it been needed. Indeed, sharper Wrexham shooting on two or three occasions *would have forced them to it*.

JAMES FRENCH

Bid to ban Cup Final price rise

MR. DENIS HOWELL, Sports Minister, will be asked in Parlia*ment to ban the Football Associa*tion from raising prices by 20 *per cent* for the Wembley Cup Final on May 6.

Mr Walter *Johnson*, Labour MP for Derby South, has tabled a question urging Mr. Howell to intervene to stop "this blatant profiteering."

Mr. Johnson said: "These are exorbitant increases, particularly bearing in mind that prices went up by almost 40 per cent. for the 1975 Cup Final.

Wasps' sting fails to penetrate

RUGBY UNION

BY PETER ROBBINS

THE WASPS organised everything impeccably for their John Player quarter-final against Gloucester on Saturday. A perfect day, a pitch in marvellous condition, and a well-prepared team. But they could not arrange the result, and Gloucester won 13-3.

It was a *courageous* performance by Wasps, epitomised by captain and right-wing, Richards. He chose to play against the breeze and the sun, presumably seeking the elements as allies later.

In the end his side finished the game at a higher pace and with more imagination.

They ran from short penalties deep in their half, trying to tire the heavy Gloucester packs. But although *Walbyoff* and *Graham* made handsome breaks, such was the urgency to get the ball to Richards and the aggressive Bell that the passing was too often inaccurate.

Their fly-half Ball also gave some eccentric passes, but nevertheless had a bright game.

Wasps lost Bonner early and Leggett came on as No. 8 and with Cooper and Smith performed prodigies in defence.

Wasps matched Gloucester in speed to the ball. But when Bonner left the field, Gloucester's Simonett exploited the gap and Woolley scored a try, converted by Butler.

Ball kicked a penalty for Wasps and trailed 3—6 at half-time, which was respectable and surprising.

Like other sides which have played Gloucester, Wasps could not gain possession to pursue their running policy.

They also lost Dawe, but Waldron came on with equal enthusiasm. Scrum-half Conner played intelligently, showing a quick spin pass and a good eye for the gap.

Wasps looked prepared mentally and physically, but however adequately Isichei and Lewis played backed by Smith and Cowell, Gloucester's *bulk* and efficient techniques made the result inevitable.

One Gloucester committeeman said it has been some time since the team have played as bad, but perhaps they could not arouse the same enthusiasm as Wasps.

They began confidently, swinging the ball to the wings, thanks mainly to Fidler, at the line-out, who leapt and caught like a Harlem Globetrotter.

Burton and Sargent proved *immovable objects in the scrum*, where Reed replaced Mills after *20 minutes*.

Gloucester wheeled the Wasps and took five strikes against the head to prove their forward power.

Wasps could not find the chinks, especially against the vigilant Woolley and Simonett.

Gloucester had problems at half-back, and Howells at scrum-half had a mixed game. Fly-*half Williams did not kick well*, and with the wealth of possession ought to have been getting the ball away as quickly as possible.

Apart from Mogg, Gloucester's talented left-winger Vine also looked full of ideas.

After Butler had kicked an *early second half penalty*—the first time Williams let the ball go with any speed from Fidler's line-out—Vine dummied through and Mogg scored an excellent try in the corner.

That was the one spark of the second half from Gloucester, whose ideas seemed to be blunted on Wasps' sharpness. Fortunately for Gloucester, Butler kicked well against the wind thus retrieving some dangerous situations for his side. That he could do so was also a tribute to a very efficient forward unit.

Stay-Bell first back to stable?

RACING

BY DOMINIC WIGAN

THREE course winners—Sea Count, *Stay-Bell* and Fiddler on the Hoof—meet Tumbeleena in a four-cornered *contest* at today's Ayr Sundrum Chase. This 2½-mile event could well provide the most intriguing race on the Scottish track.

Although a case can be made out for each of the four, I shall be surprised if the prize does not go to either Stay-Bell or Fiddler on the Hoof. The first-named, a strong bay son of Khalkis, found his best form this term when accounting for The Last Light over this course and distance on his most recent appearance. *Fiddler on the* Hoof has been maintaining some useful form without catching the judge's eye.

Although Fiddler on the Hoof probably would win to-day's event if producing his best, he still seems to be some way short of the smart form he produced before a long lay-off, which took in the whole of last season, and I slightly prefer Stay-Bell, *who* bids for his third victory here.

Looking ahead, Thursday's Daily Express Triumph Hurdle *continues* to attract an exceptional amount of interest. All the leading layers report that there has never been a stronger ante-post market on the Triumph, and many have taken far more money on the race than on either the Gold Cup or Champion Hurdle. While at least seven intended Irish challengers, against a *likely figure of four* for the chasing and hurdling crowns, it is, perhaps, not too surprising.

At present, by far the most popular medium for the Irish money in the Triumph Hurdle is the Paddy Prendergast junior-trained Corrib Chieftain. A close look at this gelding's credentials will quickly tell anyone why this bay son of the Eclipse Stakes third, Appiani II, could well be a live threat to England's favourite, Rodman.

After finishing a respectable fourth behind the talented Sea Freight in a novices event at Naas more than two months ago, where *his need of an outing* was reflected in a 16-1 starting price, Corrib Chieftain then was sharpened up in a bumpers' race in which he disposed of the opposition in summary fashion.

Reported to be all the better for those two runs, Corrib Chieftain already is down to 12-1 for the Daily Express race, and, judged by the number of inquiries from Ireland, he could well go to post at considerably shorter odds.

Latest Triumph Hurdle odds: 2-1 Rodman, 10-1 Major Thompson and Bourbon Street, 12-1 Atlantic Bridge and Corrib Chieftain, 16-1 Fast Score and Ragabash, 20-1 bar.

AYR

2.15—Bandyke
2.45—Stay-Bell*
3.15—Sharpferbeds***
3.45—Leap Well
4.15—Salkeld**
4.45—Man of Steel

England cricketers back

ENGLAND cricketers Derek Randall, *Geoff Miller*, *Geoff Cope*, Graham Roope, Chris Old and Brian Rose, and manager Ken Barrington arrived home from their tour of Pakistan and New Zealand yesterday. The other players are holidaying, and will return separately.

Barrington said that the tour was disappointing, as dour batsmen never really got in form.

"But I think we have a very good future. Ian Botham is one of the most exciting cricketers to play for England. Spinner Phil Edmonds progressed well, and Geoff Miller showed great batting potential. The whole side fielded magnificently."

Raleigh wins Paris-Nice race

TI RALEIGH'S Gerrie Knetemann confirmed his week-long lead in the 1,200 kms. Paris to Nice French cycling classic by winning the final stage in Nice, to gain overall victory by 19 seconds from France's Bernard Hinault. The TI Raleigh team snatched victory from Peugeot with supporting rides in the final stage—a 9.5 km. mountain time-trial—by Hennie Kuiper and Henk Lubberding.

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 a.m. Open University. 9.38 For Schools, Colleges. 10.45 You and Me. 11.22 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 2.01 For Schools, Colleges. 3.15 Songs of Praise from Aberystwyth, Dyfed. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 a.m.). 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Hunter's Gold. 5.05 John Craven's Newsround. 5.10 Blue Peter.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 Ask the Family.
7.15 Blake's Seven.
8.10 Panorama.
9.00 News.
9.25 The Monday Film: "Sunday, Bloody Sunday," starring Glenda Jackson and Peter Finch.
11.10 Tonight.
11.50 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 5.55-6.20 Wales Today. 6.50-7.15 Heddiw. 11.50 News and Weather for Wales.

Scotland—10.00-10.20 a.m. For Schools (Around Scotland). 5.55-6.20 p.m. Reporting Scotland. 11.10 Public Account. 11.45 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
3.00 p.m. Wordpower.
3.30 Children Growing Up.
4.00 Parents and School.
4.55 Open University.
7.00 News on 2 Headlines with sub-titles.
7.05 Children's Wardrobe.
7.30 Newsday.
8.10 Drama 2.
9.00 Owain Arwel Hughes' World of Music.
9.50 Americans.
10.40 Just a Nimmo.
11.10 Open Door.
11.35 Late News on 2.
11.45 Tele-Journal.

LONDON

9.30 a.m. Schools Programmes. 12.00 Noddy. 12.10 p.m. Rainbow. 12.30 Indoor League. 1.00 News plus FT index. 1.20 Help! 1.30 About Britain. 2.00 After Noon. 2.25 Monday Matinee: "Dilemma." 3.50 Couples. 4.20 Clapperboard. 4.45 Warrior Queen. 5.15 Survival.
5.45 News.
6.00 Thames at 6.
6.40 Help!
6.45 Opportunity Knocks.
7.30 Coronation Street.
8.00 A Sharp Intake of Breath.
8.30 This Week.
9.00 Hazell.
10.00 News.
10.30 Royal Film Performance.
11.15 The Big Film: "Straight on till Morning," starring Rita Tushingham.
12.55 a.m. Close: Geoffrey Hinsliffe reads a poem.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 2.25 Family. 3.20 The Entertainers —Gerry Ford. 5.15 University Challenge. 6.00 About Anglia. 11.15 Mystery Movie: Columbo. 12.40 a.m. Reflection.

ATV

11.55 a.m. Betty Boop. 12.30 p.m. George Hamilton IV. 1.20 ATV Newsdesk. 2.25 Movies to Remember: "A Summer Without Boys." 5.15 University Challenge. 6.00 ATV Today. 11.15 Angling Today. 1.45 Something Different.

BORDER

12.30 p.m. The Flintstones. †1.20 Border News. 2.00 Houseparty. 2.25 Matinee: "Playmates." 5.15 Garnock Way. 6.00 Lookaround Monday. 6.15 University Challenge. 11.15 Late Film: "Assassin" starring Ian Hendry and Frank Windsor. †12.30 a.m. Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 2.25 The Monday Matinee: "The Elevator." 5.15 University Challenge. 6.00 Channel News. 6.10 Cartoontime. 10.28 Channel Late News. 11.15 Late Night Movie: "The Split." 12.45 a.m. Channel Gazette followed by News and Weather in French.

GRAMPIAN

9.25 a.m. First Thing. 12.30 p.m. First Act. 1.20 Grampian News Headlines. 2.25 Monday Matinee: "Linda" starring Stella Stevens. 5.15 University Challenge. 6.00 Grampian Today. [illegible] Reflections. [illegible]

GRANADA

[illegible]

HTV

[illegible]

HTV Cymru/Wales—As HTV General Service except: [illegible]

HTV West—As HTV General Service except: [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. [illegible] Edmonds. 9.00 Simon Bates. [illegible] Burnett from Kirkintilloch [illegible] 12.30 p.m. Newsbeat. [illegible] burn from Glasgow. [illegible] Travis from the University of Strathclyde, including 5.30 Newsbeat. [illegible] Northern Radio Orchestra [illegible] Radio 2). 10.02 John Peel [illegible] 12.05 a.m. As Radio 2.

VHF Radios 1 and 2— [illegible] Radio 2, including 1.55 p.m. [illegible] ing. 10.02 With Radio 1. [illegible] With Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. [illegible] Moore with The Early Show (S) [illegible] ing 6.15 Pause for Thought. [illegible] Wogan (S) including 8.27 [illegible] and 8.45 Pause for Thought. [illegible] Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House including 12.33 FA Cup [illegible] semi-finals and 1.45 Sports Desk. [illegible] David Hamilton (S) including [illegible] 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 [illegible] including 5.45 Sports Desk. [illegible] Desk. 7.02 BBC Northern Radio Orchestra (S). 7.30 Alan Dell: [illegible] Dance Band Days. 9.02 [illegible] Sound (S). 9.02 Humphrey Lyttelton with The Best of Jazz [illegible] 9.55 Sports Desk. 10.02 [illegible] Movie Quiz. 10.30 Star Sound. [illegible] Brian Matthew with The Late Show. 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

[illegible] a.m. Weather. [illegible] Overture (S). 8.00 News. [illegible] Concert (S). 9.00 News. [illegible] Composer: John Bull (S). [illegible] Cello Sonatas (S). [illegible]

RADIO 4

434m, 330m, 285m and VHF

[illegible]

BBC Radio London

206m and 94.9 VHF

[illegible]

London Broadcasting

261m and 97.3 VHF

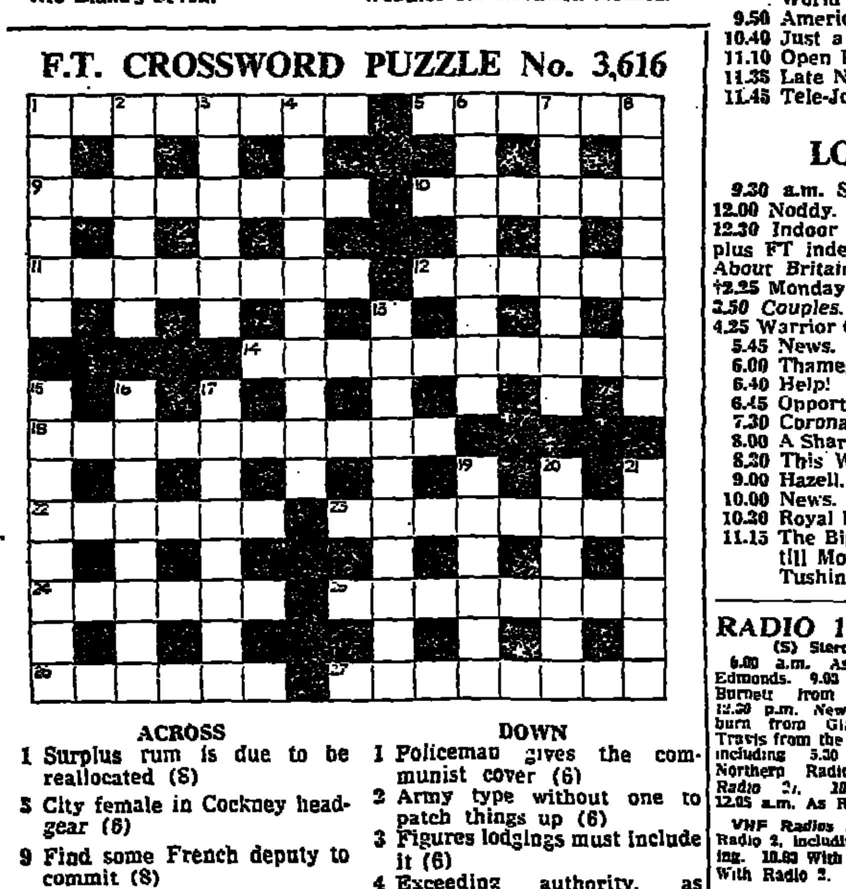
[illegible]

Capital Radio

194m and 95.8 VHF

[illegible]

F.T. CROSSWORD PUZZLE No. 3,616



ACROSS

1 Surplus rum is due to be reallocated (8)
5 City female in Cockney headgear (6)
9 Find some French deputy to commit (8)
10 Wool gets to Ireland in a short time (6)
11 One sitting on the fence makes Una alert (1, 7)
12 The company finds the fellow convincing (6)
14 I'd turn half-a-dozen people to prophecy (10)
18 Cleaners discourage men (10)
22 In America this evening may be explosive (8)
23 Peak order for the married man (8)
24 Revised some French course going back (6)
25 Rebuke a town for greed (8)
26 Different stages in the superlatively wise (6)
27 Church dignitaries get on with the first-born (5, 3)

DOWN

1 Policeman gives the communist cover (6)
2 Army type without one to patch things up (6)
3 Figures lodgings must include it (6)
4 Exceeding authority, as Caesar might have said (5, 5)
6 The lesson to be drawn is to them an exam (3, 5)
7 Prevalent half in a type of poem (8)
8 Hard at work, keeping off the flies, we hear (8)
13 To reach the royal road is something you can't do (3, 4, 3)
15 She has done her job when she has 24 (8)
16 Position in society does not get you a seat (8)
17 Dissipates the sweets (8)
19 People have to get on in the household (6)
20 Notes a thousand in small cars (6)
21 Don't go out—it might be a strike (4, 2)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Berlin Film Festival

A soft centre by NIGEL ANDREWS

They changed the dates for the Berlin Film Festival this year from late June to late February, and stole a march on Cannes. Hitherto Berlin has had the unenviable job of sweeping up after the world's biggest film festival (taking place a month earlier in May) and of trying to compensate for its late pickings with as rich an array as possible of native product. As native product goes, Germany's is good: in fact the best in the world at present, with directors like Fassbinder, Herzog, Wenders and Syberberg on hand. But a film festival must also boast the best in foreign films, and 1978 should have been the year in which Berlin crept out at last from under the shadow of Cannes and proved its own international excellence.

Sad to say, it did not happen. And the chief culprit was undoubtedly the Main Competition. With its rich kaleidoscope of fringe events—from the Young Film-makers Forum to the annual Retrospective—the Berlin festival looks to the competition as its solid centre. But this year, not for the first time, the centre fell apart. In the absence of "name" directors—John Cassavetes and Satyajit Ray honourably excepted—festival programmer Wolf Donner stacked the competition with unknown hopefuls, whom he assured us would spring surprises. But this oddly blighted event—even under Donner's recent predecessor Alfred Bauer it never quite blossomed into richness—remained blighted. Of Ray's *The Chess Players* I have written before: it is witty, but slight, a minor work in the master's canon. Cassavetes' *Opening Night* was chosen for the opening night, but apart from its titular appropriateness Cassavetes' story of an ageing actress (Gena Rowlands) having her last Broadway fling was thought to have few redeeming assets—and at 2½ hours was judged far too long for its material.

Elsewehere the competition films, though they ran the gamut of subjects from proletarian discontent in Rio de Janeiro (Ruy Guerra's *The Fall*) to middle-class murder on the Rheingold Express (Niklaus Schilling's *Rheingold*), displayed all too narrow a range of quality and imagination. The Golden Bear was shared equally among the Spanish entries, of which the best was Jose Sanchez' stylish farce *The Trouts*. But even this tale of a party of Madrid *bon viveurs* gorging themselves to death (literally) at an Anglers Club luncheon was a triumph of triviality over substance.

More adventurous, if not much more substantial, was the German film *Moritz Lieber Moritz*, whose portrait of a 1970s rebel without a cause see-sawed between quiet insight and scenes of wildly hyperbolic violence. Items for one's enjoyment included bees being sewn up inside a man's stomach, a battered-to-death cat, and a decapitated lady motorist.

Germany also gave us *Deutschland im Herbst (Germany in Autumn)*, a report on the state of the nation by nine leading film-makers. This portmanteau film was received with a mixture of noisy approbation (by the very young and the very Left) and incredulous dismay (by everyone else). Among other dubious coups, it counterpoints the funeral of murdered industrialist Hanns Martin Schleyer with the funerals of Andreas Baader and his fellow suicides from Stammheim prison in such a way as to leave us in no doubt whom the film-makers are rooting for. (Not Herr Schleyer.) The only glimmer of humanity, and of redeeming humility, in the film comes from Rainer Werner Fassbinder, whose half-hour vignette of his home life, with homosexual lover Armin is unsparingly honest, and also shows that one cannot glibly separate a man's political beliefs from his private actions and persona.

The best German film on view was shown outside the competition. *The Serpent's Egg* only just qualifies for the epithet "German." Though made in Germany, it was directed by a Swede, Ingmar Bergman, with Swedish and American stars (Liv Ullman and David Carradine) and an Italian producer (Dino de Laurentiis). Co-productions are hurdles at which even a great director can sometimes take a mighty tumble. But Bergman's account of life in Berlin in the 1920s—the taste of poverty on everyone's lips, the heady aroma of Nazism scented from afar—is a marvellous piece of imaginative cinema. "Imaginative" because Bergman has forsworn documentary realism to give us a studio-designed re-creation of the era that seems woven out of the coeval nightmares of German Expressionist cinema and early Nazi propaganda. Ullman and Carradine are superb as two unfortunates caught up in the vortex of history (she a cabaret singer, he an impoverished Jew), and Bergman has never before deployed so powerfully his flair for modern-dress horror.

The other star director to show his new film outside the competition was Walerian Borowczyk. The Polish director has given us a sexual arabesque on the familiarly voluptuous lines of *Story of Sin* and *The Beast*. *Immoral Nuns* is based on a story by Stendhal, but all other traces of cultural respectability are purely coincidental. The film is a set of delirously abandoned variations, at once funny, sexy and lyrical, on the theme of *l'erotique religieuse*: lent a distinction that lifts it light-years clear of its naughty nun competitors by Borowczyk's impressionist's eye for colour and design, and by his irresistibly witty play with the props of sexual fetishism.

Decadence and salacity are items one expects to find in Borowczyck but seldom in Berlin's Young Film-Makers Forum. This event, traditionally a bastion of political commitment and/or earnest experimentalism, allowed two lively and scabrous entries through this year. One was Ronald Chase's *Lulu*, an adaptation of the play by Wedekind (and opera by Alban Berg) which cunningly invokes the conventions of silent cinema to re-create an age of arch and tremulously elaborate eroticism.

The other was *Une Sale Histoire* by Jean Eustache (director of *La Maman et La Putain*) which regales us—not once but twice—with the reminiscences of a public-toilet peeping tom. Two different acotrs repeat the identical 25-minute speech to two different gatherings of fascinated ladies. The film asks the simple but intriguing question—does the shock power of a story diminish or increase on a second hearing? I shall reveal nothing: with luck you may be able to find out for yourselves when the film comes to London.

The prize-winner at this year's Forum was Iran's *The Cycle*, written and directed by Daryush Mehrjui and seen at last year's London Film Festival. Though it's a good film, I thought two other Forum entries more deserving: Jon Jost's *Angel City* and Thomas Koerfer's *Alzire*. The first is a comical impromptu on Los Angeles which combines a spoof travel documentary with a hilarious upending of the Private Eye genre. The second is about a Swiss theatrical group's attempt to stage Voltaire's controversial play *Alzire*. Koerfer juggles cleverly here with ideas about imperialism, colonialism, artistic patronage and other Us-versus-Them political themes. The results are fascinating—even if, as in a juggling act, the components are never quite airborne all at the same time.

Finally, nostalgia. This year's Retrospective was devoted to Marlene Dietrich: part two of a mammoth review of the German siren's career begun in Berlin last year. Among the treasures on offer were *Desire*, *Manpower*, *Kismet*, *Touch of Evil* and *The Garden of Allah*. The latter has Dietrich finding love in the desert with ex-Trappist monk Charles Boyer. She also finds such un-desert-like commodities as champagne and evening gowns. Has High Kitsch ever reached a higher altitude than in Dietrich's films?

It comes close to doing so in *Sextette*, shown outside the competition. This is the latest, and one hopes not the last, film starring Mae West. The octogenarian sex symbol here appears as a rich quintuple divorcee newly maried to a rich young blade from London (Timothy Dalton). The screenplay is no more than a vehicle for Miss West, and it groans a little under the weight of this dressed-to-the-nines super-star. The *double entendres* come purring out from that toothsome mouth, with the familiar hitch of the hips and pat of the hair, and so predictable is it all that the film has the formality of a religious liturgy. Dom DeLuise lends some much needed comic brio as Miss West's secretary-cum-factotum, but the film stands or falls by your devotion to the lady herself. Give or take a few creaks, I would say that it stands.

Scene from 'Immoral Nuns'

Covent Garden

The Sleeping Beauty by CLEMENT CRISP

The Sleeping Beauty, as created by Petipa and Chaikovsky, had something very close to perfection of form. Each act was careful in structure, beautifully judged in placing of incident. The interplay of dance and mimetic scenes, the balance of ensemble and solo, the gradual dramatic momentum of each act: these explain why it is so truly a classical work of art in its harmony and exquisite ordering of proportion. The Royal Ballet's recent staging is at its best and most satisfying when it obeys Petipa's blue-print: that is, in the first two acts which—given the inevitable depredations of the years—still reflect the progress of the dance action as Petipa intended it.

The later cuts, elisions, and accretions all harm the ballet. The full stretch of the hunt dances in Act 2 is needed to allow us to accept the passing of 100 years, and also to prepare us for the return of the Lilac Fairy's magic; the present panorama is far too short and we have to endure what seems an eternity of gazing at a dull front cloth while the Opera House orchestra takes its charmless way through some of Chaikovsky's grandest theatre music. I have spoken before of the stylistic and dramatic unsuitability of the Ashton "awakening duet," and I would urge that the ballet be presented in four acts instead of three: there is sound theatre psychology in bringing the audience back refreshed for the culminating pyrotechnics of the Wedding divertissement.

The formal grace of Petipa's *danse de vertige* when she has clear in the planning of Aurora's dances, and, it can be argued, in their exposition by a ballerina. The steps themselves are wonderfully expressive — what could be more beguilingly youthful than Aurora's act 1 solo, or more dramatically apt than the danse de vertige when she has seized the spindle?—and they need neither added charm nor added virtuosity.

Jennifer Penney has so many gifts that suit the role of Aurora, that it was disconcerting on Friday night to see her tricking out the part with an uneasy winsomeness, and taking quite unnecessary liberties with its virtuosity. There is nothing to be gained artistically in prolonging the balances in the Rose adagio if this also means little waggles of the head and teeterings of the leg in attitude, however much the audience may roar afterwards. The tragedy is that none of the Royal Ballet's Auroras has had the chance to see the Kirov approach to the role, and most essential, how Irina Kolpakova's supreme, ideal interpretation matched style and content in what is surely the greatest piece of classical dancing in several decades. If Miss Penney purged her interpretation of every frill and furbelow of spirit and technique (qualities that may have been caught, like 'flu, from the deleterious costumes), she would prove a beautiful Aurora. She has the lightness, the easy placing and the accomplishment to be an exceptional interpreter of the role.

The Prince of the evening was David Wall, and most princely in manner. If the shadow of Mayerling's Rudolf lies over him still, it meant that Florimund had a sharper edge of character in the Hunting scene, and that his dancing in Act 3 was brave in energy and dignity. I am happy to record that the coda to the grand pas de deux has been restored to Aurora and her Prince, and that the Ivans are banished to the steppes. May I now plead for a re-working of Carabosse's entry and for the tearing of Catalabutte's hair to be included; with this, and a new costume for the poor chamberlain, the first two acts will be near perfect.

York Early Music Festival

Claimed to be the biggest Festival of its kind to be held in this country, the York Early Music Festival in 1978 will run from July 1-23 providing over 40 events for the public and some courses for early music enthusiasts.

The success of the York Early Music Week in April, 1977 (sponsored by Pernod of France with further financial aid from the Yorkshire Arts Association) has given the festival committee the confidence to expand activities.

Jazz Brunch at the Portman Hotel

The following jazz artists will be appearing at the New Orleans Sunday Brunch sessions held at the Portman Hotel, W.1, during the forthcoming weeks: Jim Galloway and the Benny Simpkins Quartet (March 19); Dick Charlesworth Quintet (26); the Ron Russell Band April 2: and "Hefty Jazz," featuring Keith Smith, Dick Wellstood and Ian Wheeler on April 9.

Brunch starts at 11.00 a.m. Last orders are 4.00 p.m.

Nottingham Playhouse

Deeds by MICHAEL COVENEY

Over the past few years the Nottingham Playhouse under Richard Eyre has premiered important new work by Howard Brenton, David Hare, Trevor Griffiths and Ken Campbell. These four writers have now collaborated on a piece to mark Mr. Eyre's departure to the BBC as Producer of *Play For To-day*. Although the piece lacks the rich narrative consistency of an earlier Nottingham collaboration, *Brassneck* by Hare and Brenton, it is nonetheless a compelling theatrical event. "Spot the author" may be a futile game to play, but the opening scenes, in which a Manchester labourer learns of his baby's cot-death, bear the unmistakable Griffiths stamp: direct, naturalistic and unsettling. The child was suffering from severe dehydration, later explained as resulting from an incorrect preparation of powdered milk. A priest visits to offer prayers; Ken Deed, in the grip of an overpowering heartache, demands more material help. He has stopped working and needs money.

The stage opens up, cavernous and black, to reveal Ken at a bus stop outside the hospital, ready for war. He is wound up, embarked on a mission of revenge that takes him straight to the lair of the perpetrators of chemical murder. The dialogue becomes choppier, more elliptical and a refined sense of experiencing large injustice in allusively defined time and space announces the arrival of Howard Brenton. Ken commits a minor but theatrically vivid outrage in a sleepy supermarket by pouring a packet of Nuzzle powdered milk on the floor. The Indian proprietor proclaims the dignity of shopkeeping and its place in British life; these sentiments are haughtily echoed by a sentencing judge, suspended with appropriate irony high above the action at ground level.

Prison only hardens Ken's revenge impulse. Now he will learn to climb walls. Six months served, he arrives in London, nursing his anger against a background of irrelevant activity: a TV crew discuss what language of violence will be stomached at peak-viewing time; a man with a walkie-talkie reports on the Queen's progress from walkabout to bed-time; a hippy policeman tries to score. Ken's wife Mary appears, as though in a dream, to spray her surname over a very long brick wall.

In the scond half, with scenes at the House of Commons lobby, in the Nuzzle boardroom and the Savoy Hotel bathroom of an American director, the contribution of David Hare is apparent. You realise, suddenly, that Ken Deed is another way of writing Candide. But this hero's quest for truth springs from personal grievance, not philosophical disposition. Because no one can definitely say why the baby died, Ken's view of the world is changed. And that view is then corroborated by the behaviour of those representatives of establishment society whom he approaches. He only squeezes a sympathetic declaration of commitment from a female Health Minister by disguising himself as a lift attendant and pressing a button between floors. Even the Labour MP, priding himself on 20 years down the pits, is a dribbling drunk who deflects talk of personal complaints with a bland and backneyed Socialist apology. Dead baby? A grain of sand in the desert of capitalist injustices.

An interlude, unmistakably from the pen of Ken Campbell, finds Ken in Hyde Park listening to a soap-box loon diagnosing the world's ills as the result of the triumph of plastic. ("You're not wearing that plastic mac, it's wearing you.") This is entertaining enough but in no way contributes to the play's final Brentonesque statement of violent intent: Ken and Mary meet up by a Nuzzle tanker wagon at dead of night. He has considered drowning himself in powdered milk; Mary is heavily pregnant. Ken builds a cot for the new child out of bricks and barbed wire. He (Jeronimo) or she (Boadicea) will be armed, will hate, will kill.

Richard Eyre has done an admirable job of cohesive direction and Mick Ford as Ken sustains his passion through thick and thin. It is good to see stalwarts of this fine company—Ralph Nossek, Anita Dobson, David Beames, Louise Breslin, Roger Sloman—giving hard-edged life to a gallery of rogues, con-men and creditors. If the resultant play is stronger for the sum of its parts than for parts of its sum, that may be put down as the price of an imaginative experiment. Nottingham will be much poorer for Mr. Eyre's exit, and I hope it is not just London critics who say so.

Greenwich

Don Juan by B. A. YOUNG

Molière's version of the tale since familiarised by sundry other hands looks an elegant piece in this production under David Thompson, though I can't use the same adjective of his translation, which lacks any consistent style. Broadly, the play is divided into two parts. In the first half it deals with the Don's misdeeds; in the second, with the accounting for them.

When we first see him, resplendent in a silver-laced white suit, Frank Barrie doing his romantic bit, Lord Goring in fancy dress, he has already killed the Commander and seduced and abandoned Elvira. Foiled in an off-stage attempt to snatch another girl from the arms of her lover in a boat, he dallies simultaneously with two peasant girls before turning more seriously to argue his case with Elvira's brothers, pausing only to bribe a beggar light-heartedly to commit a mortal sin. The interval comes as the statue, notionally situated at the back of the auditorium, nods his agreement to dine that evening.

The rest of the play is spent in Don Juan's dining-room, where he is called on by his father Don Luiz, in a gold-laced suit even more magnificent than Juan's silver, and with John Arnatt's gold-laced voice to match; by a moneylender (Neil Boorman) whom he flatters into a moratorium; by Elvira (Anna Carteret)) now a nun; by her brothers; and of course by the statue, unusually, and effectively, made from bronze rather than marble.

It is in this half that the best of Molière's philosophy comes, some splendid defences of flattery and hypocrisy, with practical demonstrations of their uses. Previously much of the most pointed talk has come from Sganarelle, his servant, though there is a discussion between Don Carlos and Don Alonso (Elvira's brothers) on the subject of honour that is worthy of Falstaff. Sganarelle is enchantingly played by Peter O'Farrell, who since the day when he was the best crocodile ever in *Peter Pan* has been at the Young Vic. He makes him a little lame goblin, his loyalty to the Don due solely to fear of punishment. When the touch of the statue's hand sends Don Juan to hell, all Sganarelle has to say is "Who is going to pay my wages?"

I think Mr. Thompson is wrong to put the fatal moment in the dark. It starts so well, with minatory characters advancing through every door like Murgatroyds in Ruddigore; the statue extends his hand; Don Juan takes it; and after a flash of darkness he is lying dead and the room is empty but for the whittering Sganarelle. Mostly, though, the production is handsome to see, in a useful arched set with reversible panels that can change a scene and a mood at once; Peter Rice is the designer and David Adams does the sensitive lighting. I recommend it warmly.

About the translation. Much of it is current-conversational, but there are moments too of high-flying romance to keep up with Molière. There are other moments of unnecessary pomposity ("Let me tell you by way of warning") and, worst of all, phrases for Don Juan that make him sound like a second-class company director—"How do you read the situation?" and, for God's sake, "Gentle pressuring some young heart."

Wigmore Hall

Fou Ts'ong by DAVID MURRAY

The Schubert half of Fou Ts'ong's recital on Saturday was all loving re-creation, a marvellous exercise in sympathy and style. The main work was the Fantasy-Sonata in G; conventional wisdom suggests that its discursive Molto moderato needs some discreet pushing along—but this performance needed no recourse to conventional wisdom. The limpid promise of the opening bars was entirely fulfilled by what followed: deeply reflective, unhurried and singularly beautiful in piano tone. Dramatic strength found its proper place in the middle movements, and the Rondo wore an enigmatic smile which preserved its suggestiveness to the end.

I have not heard a lovelier performance of the sonata, and it could not have been more happily followed than by Schubert's chain of a dozen *Ländler*, D. 760. Playing them as exquisitely as Fou Ts'ong did is not a matter of inventing subtleties for simple dances, for there is a wealth of invention in them; but the rhythmic freedom he graced them with, which would have seemed daring had it not seemed so utterly natural, was really beyond praise. Every dance was full of unpredictable life, and there was not an inflated detail.

The second half of the recital was merely interesting. Weber's four piano sonatas are grossly under-played, and the athletic Second, in A-flat, was a welcome rarity. Here, though, the manner that had been magical in Schubert sounded perversely wayward: Fou Ts'ong may well be right about the dramatic content of the sonata, but he presented it in a drastic translation. The effect was provisional and noticeably untidy, in just those places where Weber clearly expected well-honed brightness and dispatch. Again, Fou Ts'ong's account of Chopin's F minor Ballade brimmed over with feeling, but its magnificently long lines broke up into fraught little events. Intense, but forgettable; his Schubert made an indelible mark.

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Rivals to the banks

THE CLEARING banks, in their recent joint complaint of unfair competition from the building society movement in the market for small deposits, will raise only limited sympathy on their own behalf. Their recent profit announcements do not portray a group being driven to the wall: their hours of business do not speak of any enormous concern for the convenience of the customer: and if they are now being driven to close some branches and reduce the activities of others, it is a rationalisation which seems overdue. They might mull over the recent admission by Mr. Michael Edwardes on behalf of Leyland: "We have probably had the business we deserve."

Rapid growth

However, the issue they have raised is of general public importance, and deserves close attention of a more general kind than it has yet had from the Government, which is concerned only with smoothing the flow of funds to the housing market to prevent a price explosion. The growth of the movement in recent years has been quite extraordinary. The tax privileges of which the banks complain are only a part of the explanation. The fact is that over a period of the most stringent credit controls in living memory, the authorities have allowed and even encouraged the growth of what amounts to a virtually unregulated cartel, with near-monopoly access to what has proved one of the safest of all outlets for credit. The result, that the building societies now hold larger deposits than the clearing banks themselves, is scarcely surprising.

If it were true that the societies — like, for example, the life insurance companies—based their activities entirely on genuine long-term savings, invested on a broadly similar time scale, then it would be logical to leave them entirely out of account in any question of monetary policy: but this is becoming more and more of a caricature of the facts. Not enough is known about the turnover and destination of building society deposits, but certainly their numerous branches are widely used for what are essentially banking purposes. While their lending remains specialised, a proportion at any rate of their deposits are part of the ordinary store of liquidity —not only of shoppers who appreciate Saturday opening, but of stock market investors out of the market for the time being.

The societies not only contribute an unmeasured addition to the effective money supply, but their operations distort the growth of the money supply which the authorities do try to control. When interest rates fall, the movement attracts deposits away from the banking system; but it is commonly some months before these funds are lent on in the housing market. A proportion of this rise in deposits is normally invested in public sector debt, and so a large potential rise in the money supply is concealed. The rise in mortgage lending may well therefore have something to do with the recent rise in the money supply. While the authorities no doubt analyse these changes and try to offset them, no direct control is applied. It is only the banks which have to make special deposits with the Bank of England, or submit to a limit on the growth of their liabilities.

Unregulated

It is much easier to state the privileges of the building society movement than to measure their effects or to suggest remedies. Until more is known, the safest recommendation is the usual safe anti-climax — a call for further study. This should also extend to the monetary significance of other savings media — the Trustee Savings Banks, which now offer cheque-clearing facilities, for example. The tax privileges of the societies with regard to depositors are probably now an anomaly as the clearing banks suggest: and their practice of demanding deposits as a condition of future mortgage lending is also questionable. The biggest question, though, is how far so large a financial force can be left essentially unregulated. The sacred cow begins to look at times like a rogue elephant—an enormity to be avoided.

Drawing the line in the Horn

THE WAR between Ethiopia and Somalia in the Horn of Africa has caused considerable embarrassment for the Western powers. The world has been treated to the spectacle of massive Soviet and Cuban intervention to crush a Somali "liberation" campaign which has won a great deal of sympathy in Western public opinion—not least because of the oppressive nature of the present regime in Addis Ababa.

Yet the Somalis have been seemingly left to their fate, despite the moral capital that they clearly believed they had earned by their collaboration in last year's West German anti-hijacking operation at Mogadishu Airport. The West has been made to look ineffectual against Russian expansionism in a key strategic area.

There has never been any question of the West in general, or the U.S. in particular, sending troops to Somalia to counter-balance the Soviet-Cuban forces on the Ethiopian side. There would be no broad basis of support for such action in public opinion, and it would almost certainly lead to a super-power confrontation that could go rapidly out of control. Nor are the rights and wrongs of the conflict all that clear-cut.

It is equally obvious, however, that the West cannot afford to remain totally inactive. At some point a line has to be drawn, and President Carter has tried to do so by insisting that the successful Ethiopian counter-offensive must stop short at the Somali frontier. Moscow's apparent acceptance of this would seem to indicate recognition that there are still rules to the game and thresholds that would be dangerous to cross.

Factors at work

It is not yet clear how far last week's Somali decision to withdraw regular forces from the disputed Ogaden was the product of American diplomatic pressure or military disaster. Both factors were probably at work. Yet the decision should help to get the West off the hook, at least for the time being. At least it opens the possibility of exploring the "negotiated solution" that Western Governments have said they are seeking.

But it is far from certain that the issue can be solved so easily. In the first place, the Ethiopians are now in a position to impose stiff preconditions. They have already stated, for instance, that there can be no peace until Somalia abandons all territorial claims to the area—a demand that looks extremely difficult for the Somalis to accept. In the second, it seems that the West Somalia Liberation Front plans to carry on the fight with guerilla action, and undoubtedly it has the means to do so.

Many uncertainties

There are many other uncertainties. The Ethiopian Government would probably now like to use its Cuban allies to consolidate its territory by crushing the Eritrean separatist movement in the north and assuring its outlet to the sea. As far as Cuban intentions are known, it would seem that they are unwilling to go along. But it is not at all clear whether the Soviet-Cuban forces will now agree to withdraw from Ethiopia, or where they might go if they did. The Cubans' next move could easily be southwards towards Rhodesia.

Whatever the outcome, Western Governments will have little real say in it. The Soviet Union has again shown that it has the military power and the political will to intervene openly in an African war and swing the balance as it chooses. President Tito of Yugoslavia, on his current tour of the West, will not be unaware of the possible implications.

However the Ogaden war is settled, it is no use Western Governments thinking that the wider problem will somehow go away. The Soviet Union will continue to go as far as it dares in promoting its interests around the world. It is up to the West to make it quite clear that there must be a limit.

It is not a question of matching force with force, but rather of bringing home the East bloc's dependence on Western credit and technology and its ultimate vulnerability in a new arms race. Moscow has a habit of testing new American Presidents to see how far it can go. It has also, in the past, backed away from confrontation when the U.S. has clearly defined where the line must be drawn.

Desperate times for most base metal producers

By JOHN EDWARDS, Commodities Editor

THESE ARE desperate times for copper and most other base metal producers. On Friday the Zambian Finance Minister gave a warning that the country faced economic collapse unless a source of outside funds was found within the next few weeks. Because Zambia relies on copper exports for over 90 per cent. of its foreign exchange earnings, it is not unreasonable to blame the prolonged depression in the world copper market for the country's financial problems.

In fact last week world copper prices rallied on the London Metal Exchange—partly reflecting the transport problems that threaten to cut back Zambian copper exports severely, and the possible repercussions of the brief "invasion" of Zambia by Rhodesian security forces. Also boosting the market was the recent agreement initiated by Zambia, between three of the world's leading copper exporting countries to reduce production by 15 per cent.

But the production agreement is a sign of desperation. The three countries which are parties to it—Peru, Zaire and Zambia—are dependent on copper for the bulk of their export earnings, and for an important source of employment.

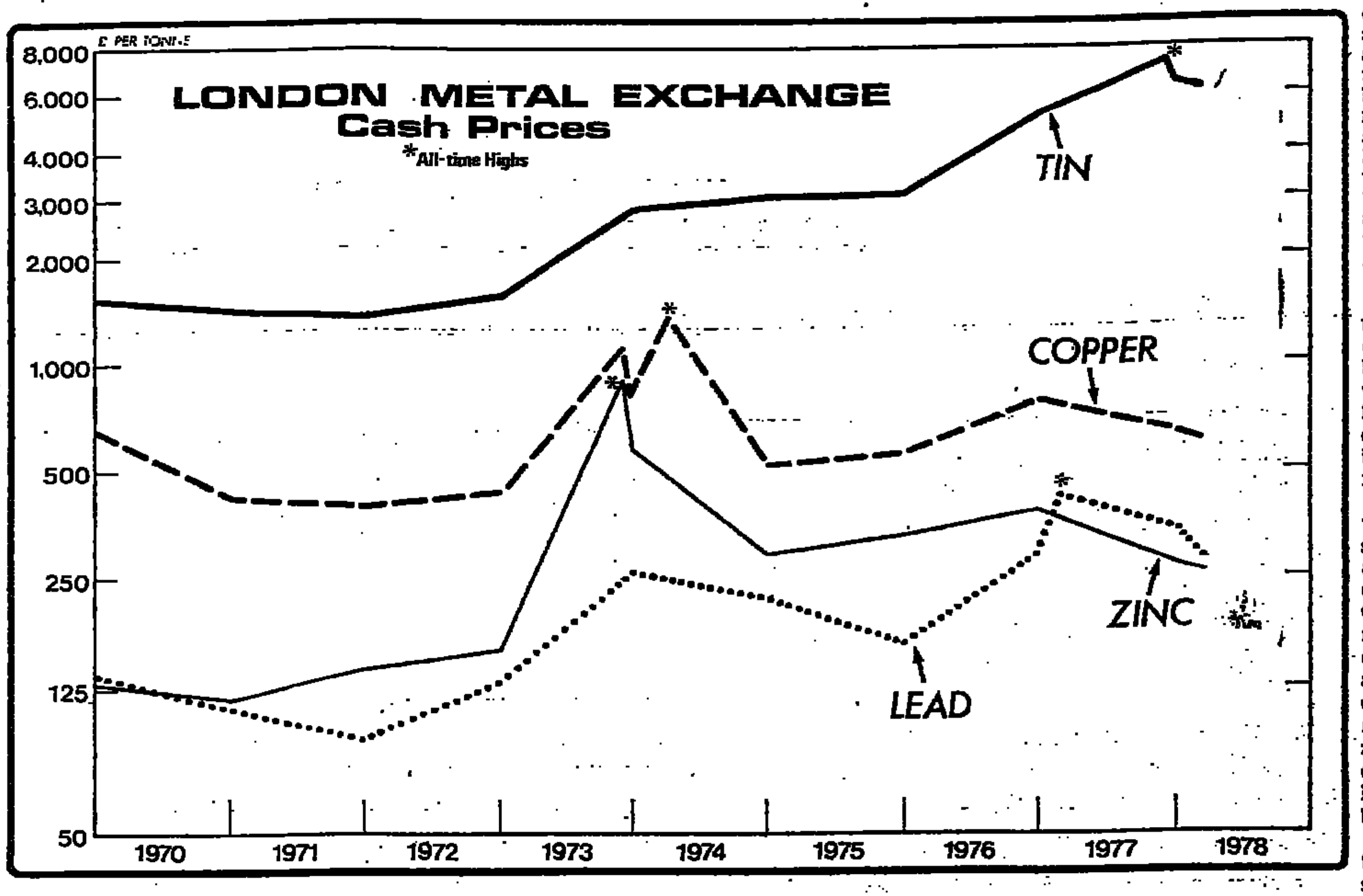
Any cut-back in their copper production, therefore, has serious domestic repercussions. However, the situation has become so serious for producers that there seems to be little alternative to a cut-back in view of the heavy losses being suffered at present price levels.

Hopes of a recovery in demand for copper and other base metals as world industrial activity picks up have been dashed so far this year. The U.S. coal strike threatens to make matters even worse. So instead of a gradual recovery from the depressed markets of the past four years, base metal producers face a further period of struggling for survival in the longest recession to hit the mining industry since the 1930s.

Indeed some forecasters are predicting that the worst is yet to come. They argue that in the coming crisis, prices will be driven down to levels where production will have to be reduced even more drastically to remove the huge surplus stocks now overhanging the market.

The situation in copper reflects what has been happening throughout the base metals industry, with one or two exceptions. Tin prices, for example, rose steeply last year as a result of a shortfall in supplies, although this year values have fallen sharply. Lead too was buoyant, but here too prices have collapsed recently.

Aluminium has also recovered from a bad period of low prices and heavy surplus stocks, as a result of producers cutting back. Some specialised metals, such as molybdenum and wolfram, have moved up rather than down in price, boosted by firm demand for the special steels used in oil pipelines.



But for the rest of the metals, the picture is one of unremitting gloom. On the London Metal Exchange copper last month fell to the lowest level for two years at £612 a tonne—a far cry from the all-time peak of £1,400 reached in early 1974.

Copper production costs vary widely, according to the type of mine deposit as well as local infrastructure, taxes and wages. However, it is estimated that some 70 per cent. of the world's copper mines cannot operate profitably at present price levels. Many mines need higher prices just to meet operating costs, let alone service bank debts and new investment. This is particularly the case in Zambia, which as a high-cost producer needs a price closer to £750 to meet average operating costs. Robert Perlman, of the Commodities Research Unit, in a recent speech to the Society of Mining Analysts, pointed out that the Luanshya mine, for example, actually cost Zambia more in foreign exchange spent on imports of materials to keep output going than was earned from the export of the copper produced.

Cutbacks in production have been urged as the only way in the long run of bringing copper prices back to economic levels. However, it is likely to be a long haul. The expansion in copper production—encouraged by the commodity boom in 1973/74 and the renewed interest in raw materials following the oil crisis—brought a surge in output at a time when demand for metals was drastically reduced by the world-wide industrial recession.

By the end of 1977 world copper stocks are estimated to have risen to well over 2m. tonnes. This compares with an annual Western world consumption of around 6.5m. tonnes. There are nearly 600,000 tonnes alone in London. Metal Exchange warehouses in Britain and on the Continent which act as a constant depressant to the market.

It will take a long time for these heavy surplus stocks to be cleared. Last week there were renewed proposals, backed by the Carter Administration, to a U.S. Congress sub-committee for copper supplies to be purchased for the strategic stockpile and financed by the sale of surplus tin. Under the new stockpile policy, based on the materials needed for a major three-year war, it was calculated that copper held should be raised by over 1m. tons and tin holdings cut from 200,000 to 30,000 tons. But this new policy has yet to be endorsed by Congress and so too has the concept of providing financial support for a domestic industry by the use of taxpayer-financed stockpiles.

Any action is therefore likely to be some time in coming. There will also be a much longer period before it has any impact on the world market. Japan and France already have non-ferrous metal stockpile schemes, but so far the ambitious programme of the UN Conference on Trade and Development (UNCTAD) to back an international copper agreement with its controversial common buffer stock fund has come to nothing.

Meanwhile there is considerable competition among producers to capture a larger share of sales. Chile, which has now become the world's leading copper exporter, has refused to agree to the 15 per cent. cut-back despite being a fellow member of the Intergovernmental Council for Copper Exporters (known as Cipec) — the producers' organisation that has been singularly unsuccessful in its efforts to stabilise the world copper market because of disagreement among its members.

The selling pressure has been so strong that U.S. copper producers, who lifted their prices in December to begin 1978 on a hopeful note, have now cut prices back again and appealed to the Administration for measures to restrict imports damaging the domestic industry.

Similar import restrictions are also being sought by U.S. zinc producers. And the EEC Commission is currently studying a report from one of its sub-committees urging that import curbs should be considered as a means of bolstering the beleaguered European zinc smelting industry.

If anything, the situation is even worse in zinc than copper. Stocks are estimated to be well over 1m. tonnes and prices have fallen to the lowest level for over four years on the Metal Exchange. The European producer price has been cut from $795 to $550 a tonne and reports of discounting suggest that the real price being charged to most consumers is closer to $500.

A further severe blow is the recent fall in lead prices. Many companies, producing the "sister" metals lead and zinc, have so far managed to offset their heavy losses in zinc by profits from the previously buoyant lead market.

But now the special circumstances which boosted the lead market in 1977 have ended. A very cold spell in the U.S. early that year brought a surge in demand for batteries, which will not need to be replaced this year. Demand from the Soviet Union, reportedly hit by smelter production problems, has dried up.

Another disaster area is nickel—the former "wonder metal." International Nickel of Canada justified a reduction in its workforce of 3,500 employees, following big production cutbacks, by saying it was the only way of avoiding bankruptcy.

As a result of demand failing to live up to expectations, Inco stocks at the end of 1977 reached 340m.lbs—estimated to equal some seven months' consumption—and this millstone around the company's neck will take a long time to shed in the highly competitive nickel market. Other nickel producers are equally hard pressed. They have tried to declare a truce in the price war, sparked off by the entry of new producers such as Amax, attempting to get a foothold at a time when demand has been hit by the recession in the steel industry.

Copper, nickel and zinc are the most spectacular examples of the troubles affecting the base metal industry. But a whole host of other lesser known metals, like bismuth, cadmium, selenium, are also badly hit and so is the scrap industry.

There are many theories why the depression has lasted for so long and been so severe. One argument is that in the case of copper, the trends towards Government ownership of mines has meant that they often do not react commercially to adjust production to market conditions. However, this does not explain why nickel and zinc, which are primarily produced by private companies, have been hit by a similar build-up in surpluses.

Another explanation is that there has been a fundamental shift in demand for metals, partly as a result of the energy crisis, that has resulted in a reduction in the previous annual growth rates. Producers, it is said, based their production plans on over-optimistic targets and have been too slow in adjusting output to reality. Forecasts of a shortage of raw materials developing in the years ahead, and moves for artificial stabilisation of the markets, have encouraged producers to maintain output at too high a level and also enable them to borrow the money required to finance stocks.

This year, however, the crunch is likely to come. The present situation cannot continue much longer without a sizeable cutback in production.

Already there is virtually no new investment in the expansion of production capacity that will be required in the years ahead. Prices in most cases would need to be double the present levels to justify new mines and exploration on economic grounds. For the moment the world is living on the expansion in capacity triggered by the better times in the late 1960s and early 1970s. But once the results of this have come through, there will be a long gap that could bring very severe shortages of the vital raw materials needed by industry. But this is little solace to these companies facing bankruptcy, and to countries suffering the hardships of reduced export earnings and lower employment.

MEN AND MATTERS

Cuban leads them a dance

News that the Federal Bureau of Investigation is holding a Cuban in Miami on a charge of trying to use a false passport has sent a quiver through a poor and tiny Gulf emirate called Ajman. It has also caught the attention of staff in a City office in Dominion Street, at the top end of Moorgate.

The Cuban in question is a banker, Guillermo Hernandez-Cartaya, whose international WFC Group is being investigated by the CIA and—among others—a Congress select committee on narcotic abuse and control. The Ajman emirate is interested because its police would dearly like to lay hands on Hernandez-Cartaya. They were questioning him last July about $35m. that had been misappropriated from the Ajman Arab Bank—for which WFC had a management contract—and had confiscated his passport. Despite this handicap, Hernandez-Cartaya managed to leave Ajman: before departing he handed over a $15m. letter of credit on a Panamanian bank he controls (and which is now in receivership).

The offices in Dominion Street are paying close attention to the tangled fortunes of Hernandez-Cartaya because they include the recently closed London headquarters of WFC and the City representation of the Ajman Arab Bank. WFC has a 22 per cent. stake in the bank, although to put it mildly the two parties are now at arm's length. Dr. Horst Tiefenthaler, the Austrian banker who is chief representative for the AAB in London, was at some pains to assure me at the week-end that he resigned from a like position with WFC before the end of 1977.

I called Henry Coryat, the American manager of the Arab bank out in Ajman. He said that WFC had "clearly abused its management mandate" and although there were many questions to be asked of Hernandez-Cartaya there was "no chance that he would show up in the emirate."

The AAB ceased operations after a run on deposits last May, not long before Hernandez-Cartaya made his sudden exit —allegedly on a false passport. Coryat says he still has his staff intact: it is trying to collect debts and the bank still retains a licence. He said that reopening depended on acquiring funds from Abu Dhabi—"and things were starting to click." But the London office might be shut soon as an economy measure.

Meanwhile, over in Miami, allegations against the WFC—but not Hernandez-Cartaya—concern drugs transactions, embezzlement and involvement with the Mafia. For the suavely handsome Cuban exile himself, the latest spell in custody is no novelty: he was two years in a Castro jail after taking part in the Bay of Pigs invasion.

Talking Turkey

Sedate and well-ordered in normal times, Montreux suddenly found itself pitchforked into a flurry of activity this week-end when Greece and Turkey arrived in force with their Prime Ministers, diplomats, security guards, and journalists. "A meeting for the benefit of world peace," Bulent Ecevit said, though one minute later 100 photographers and the like had virtually declared war, scrambling on to the yellow baize of the conference table to snatch a shot.

The propaganda war continued throughout the conference. Round one went to Greece. Athens said it did not want much Press coverage, so Ankara made Turkish journalists pay for their trips. But then the Greeks brought the full Athens Press contingent free. Round two, too; the bill boards round the hotel were filled with "Visit Greece" posters.

"And now cough!"

But the final round was definitely the Turks'. Constantine Karamanlis's perennial distrust of the Press meant that his team was saying nothing. But Ecevit, an ex-journalist, likes open government and full briefings. So the poor Greek reporters had to ask their Turkish colleagues what had been happening. "I have never been so ashamed," one Athens Press man told me.

Stinking fish

Britain's mightiest union, the Transport and General Workers, is worried about pilchards, and complaining to Agriculture Minister, John Silkin.

It seems that Brussels, for some purpose of harmonisation, wants Chilean pilchards to be relabelled "Pacific Pilchards" and South African pilchards to be called "South Atlantic." That, says the TGWU, would help two political regimes with which it has less than no sympathy. According to Jack Jones, it would mean that good trade unionists everywhere would no longer be able to identify the products of these pernicious regimes—and so might risk buying them.

Giant in Monaco

From the global view of the managing director's chair at the IMF, it is a long leap to the chairmanship of a new investment bank in tiny Monaco. Of course, it is a few years since Pierre-Paul Schweitzer held sway in Washington—and he still retains an advisory directorship with the Unilever giant in Rotterdam. But why is he interested in the little-known Compagnie Monegasque de Banque? "I think there's quite a lot of potential here," Schweitzer says. "What's more, some very decent hotels." He will not be living in Monaco, which is the lot of the managing director, Bernard Kelly. An erstwhile Warburg director, Kelly declares there is "a lot of natural business in Monaco."

Bottle battle

There was some clearing up to do at the Metal Box glass factory in Nigeria recently. Two busloads of bandits armed with axes and cutlasses attacked the building at dawn, their apparent goal being the safes in the accounts department. The workforce fought back from the production line—5,000 bottles being flung at the invaders before they retired empty-handed.

Safe bet

Did you hear about the bookmaker who was asked if his baby daughter could walk yet? "No," he said, "and as long as there's racing she'll never have to."

Observer

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 28th FEBRUARY, 1978

In this edition of the AIBD Quotations & Yields additional information relating to the call features has been introduced.

Included now are the number of days notice to be given by the borrower and also the yield to next call, where it is nòt more than 100 basis points above the higher of the average life and maturity yields. There is also an indication as to whether the issue may be called at any time, on any coupon date or annually (in the case of issues with semi-annual coupons).

Yields on Unit of Account issues are now computed by adjusting the investment proceeds for the changes in relative parities of the currencies comprising the new and old unit of account formulae.

We now also show the date at which sinking funds commence on convertible issues. It is intended that we will also show the amounts at a later date.

The indicator mentioned under section 8 of the notes (relating to vield to next call for convertibles) *has not yet been implimented.*

CONTENTS

The table of quotations and yields gives the latest rates available on 28th February, 1978.

This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

● The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month: there is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD, which was established in 1969, comprises over 450 institutions from about 27 countries.
A key to the tables is published opposite.

Eurobonds in February

BY MARY CAMPBELL, Euromarket Editor

February was a mixed month for the bond markets. By and large, the dollar secondary market continued to limp along sadly despite the record low volume of new issues for any month in recent years and despite a trend of stable, and if anything falling, interest rates. Meanwhile, yields in the D-mark sector continued to fall sharply, as also did yields on Swiss franc foreign bonds.

At the same time, there were periods when the dollar secondary market seemed to be more stable than for some months. This did not mark a detraction of demand from "strong" currency bonds, but merely a lack of selling pressure in the dollar sector.

At the very end of the month the whole picture was thrown into confusion by the introduction by the Swiss National Bank of stringent measures to stem flows of funds into Swiss francs. The first announcements — which affected only bank deposits (rather than the capital markets)—were announced after trading closed in Switzerland on Friday, February 24. However after flows started to switch into Swiss franc denominated shares and bonds, the Swiss authorities announced on the following Monday that barriers would be put up there too.

This turned the last day of February into what has become known in Switzerland as "black Tuesday": prices of shares and bonds slumped. It is still too early to say whether the measures introduced will provoke effective evasive measures—for example the development of a full-blooded black market in Swiss franc denominated securities outside Switzerland. But, so far, the indications are that the Swiss measures are achieving their intended effect of cutting back inflows into the Swiss franc, and even probably provoking outflows as deposits are reduced in order to avoid payment of the 40 per cent. per annum negative interest rate. From April 1 this will be levied on a much wider range of deposits than hitherto (notably on central bank deposits).

Until these measures were introduced, however, the two main factors in the market continued to be the weakness of the dollar on the foreign exchange markets combined with the lack of dollar denominated new issues. During February the dollar fell from SwFrs. [illegible] to SwFrs. 1.8275 and from DM2.[illegible] to DM2.0170. Its depreciation on a trade-weighted basis (according to Morgan Guaranty calculations) widened from 4.65 to 5.55 by comparison with December 1971, levels.

On the other hand, the volume of fixed rate new issues which came on offer during February in the dollar sector barely topped $100m.—dealers were at a loss to remember when the figure was last as low as this. A substantial volume of floating rate notes was launched, but these were being bought on the basis that they would provide a hedge against the expected rise in U.S. dollar interest rates later this year.

The fall in yields in the D-mark sector accelerated issue by issue—and indeed within the offering period of each issue. The most significant changes were those made in an issue for the European Investment Bank. When launched, this offered an indicated 5¼ per cent., a quarter point less than had been paid by the World Bank in an issue which was only three weeks old; the EIB closed at a yield a half point lower than the World Bank issue.

In the Swiss franc sector, the coupon level on prime quality foreign bonds came down from 4 per cent. to 3¼ per cent during February.

Sterling denominated bonds did not perform well in February and this second disappointing attempt at creating a market makes it more doubtful than ever that sterling has anything more than a marginal contribution to make in the foreseeable future.

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		US DOLLARS-ALGERIA										
25.00	1977* 100.00	BQUE EXT D'ALGERIE 9.00 15/ 3/1982	97 1/8	4.46	9.80	9.27	– 100.00	30 1978	1.00 DP1977	NP EU LX	516	213 927
		US DOLLARS-AUSTRALIA										
25.00	1977* 100.50	ALCAN AUSTRALIA 8.50 15/ 4/1989	96	11.13	9.08	8.85	9.44 101.50	45 1983	.75 DP1979	NP EU LX	399	***
25.00 25.00	1974 100.00	AUSTRALIAN IND DEVT CORP 10.25 1/12/1981	102 3/4	3.75 2.26	9.32 8.35	9.98	6.99 100.50	30 1978	6.25 1978	NP EU LX	456	105 927 935 941 960 975
40.00 40.00	1977* 100.00	AUSTRALIAN MIN & SMELT'G 9.25 15/ 6/1992	98	14.30 10.79	9.50 9.55	9.44	9.88 101.00	30 1983	1.80 DP1980	NP EU LX	456	***
10.00	1977* 100.50	AUSTRALIAN RESOURCES 8.25 1/12/1982	98 5/8	4.76	8.60	8.37	8.67 100.00	30 1981		NP EU LXSE	600	205 230 927
30.00	1975 99.50	AUSTRALIAN RESOURCES 9.25 1/ 8/1980	100 7/8	2.42	8.79	9.17	8.50 100.00	30 1979		NP EU LX	412	105 305 520 927 941 960 975
30.00 27.60	1975 100.00	AUSTRALIAN RESOURCES 9.50 1/ 3/1983	100 3/4	5.01 4.35	9.33 9.33	9.43	9.18 100.50	30 1979	1.20 DP1976	NP EU LX	412	105 305 520 927 941 960 975
42.00	1976 99.50	AUSTRALIAN SHIP COMM P 8.25 1/ 9/1983	99 1/4	5.51	8.41	8.31	9.11 101.50	90C 1980		GG EU LX	143	***
30.00	1977* 99.50	BROKEN HILL PROPS 8.00 1/ 4/1985	94 3/4	7.09	9.03	8.44	9.93 101.50	90C 1982		NP EU LX	143	105 205 300 305 520 805 870 927 935 947 960 975
30.00 30.00	1977* 99.00	BROKEN HILL PROPS 8.25 1/ 4/1989	94 3/8	11.09 9.59	9.07 9.16	8.74	9.40 101.50	90C 1986	7.50 1986	NP EU LX	143	105 205 300 305 320 805 870 927 935 947 960 975
30.00	1975 100.00	BROKEN HILL PROPS 9.50 1/ 5/1981	101 3/4	3.17	8.82	9.34	8.25 100.50	30 1979		NP EU LX	456	105 305 520 870 941 960 975
20.00 18.35	1975 98.50	BROKEN HILL PROPS 10.00 1/ 5/1990	104 5/8	12.17 8.14	9.34 9.16	9.56	8.89 100.375	30 1983	.82 DP1976	NP EU LX	456	105 927 941 960 975
20.00 15.00	1970 98.50	COMALCO INV EUROPE 9.50 /11/1985	100 7/8	7.68 4.81	9.32 9.25	9.42	9.16 100.25	30 1980	1.00 DP1971	PG EU LX	456	105 975
25.00 23.00	1975 100.00	COMALCO LTD 10.00 1/ 4/1987	101 1/8	9.09 6.29	9.80 9.75	9.88	9.69 100.25	30 1982	1.00 DP1976	NP EU LX	456	105 960 975
25.00 1.32	1958 97.50	COMMONWEALTH – AUSTRALIA 5.00 1/11/1978 S	99 1/4	.68 .43	6.23 6.89	5.10	 100.00	30 1978	.64 1959	NP NY NY	458	105 805 922 941 975
30.00 9.17	1963 97.50	COMMONWEALTH – AUSTRALIA 5.00 1/ 4/1983 S	94 7/8	5.09 2.59	6.28 7.33	5.34	 100.50	30 1978	.83 1965	NP NY NYLX	458	105 805 922 941 975
25.00 3.40	1960 97.50	COMMONWEALTH – AUSTRALIA 5.25 15/ 4/1980 S	97 3/4	2.13 1.14	6.49 7.47	5.44	 100.00	30 1978	.67 1962	NP NY NY	458	105 805 922 941 975
25.00 4.08	1960 98.00	COMMONWEALTH – AUSTRALIA 5.25 1/10/1980 S	97 5/8	2.59 1.35	6.35 7.25	5.43	 100.00	30 1978	.67 1962	NP NY NY	458	105 805 922 941 975
25.00 2.73	1959 97.00	COMMONWEALTH – AUSTRALIA 5.50 15/ 9/1979 S	98 3/4	1.55 .80	6.46 7.18	5.65	 100.00	30 1978	.67 1961	NP NY NY	458	105 805 922 941 975
25.00 4.75	1961 97.00	COMMONWEALTH – AUSTRALIA 5.50 1/ 7/1981 S	98 1/4	3.34 1.85	6.36 6.96	5.68	 100.50	30 1978	.68 1963	NP NY NYLX	458	105 805 922 941 975
30.00 6.51	1962 98.25	COMMONWEALTH – AUSTRALIA 5.50 15/ 1/1982 S	96 1/4	3.80 2.14	6.89 7.90	5.80	 101.00	30 1978	.81 1964	NP NY NY	458	105 805 922 941 975
30.00 7.31	1962 97.50	COMMONWEALTH – AUSTRALIA 5.50 1/ 7/1982 S	95 7/8	4.34 2.34	6.71 7.58	5.82	 100.75	30 1978	.83 1965	NP NY NY	458	105 805 922 941 975
25.00 6.96	1962 99.00	COMMONWEALTH – AUSTRALIA 5.50 1/10/1982 S	96 5/8	4.59 2.35	6.46 7.21	5.77	 101.25	30 1978	.69 1965	NP NY NY	458	105 805 922 941 975
25.00 11.12	1965 98.50	COMMONWEALTH – AUSTRALIA 5.50 1/ 5/1985 S	94 3/4	7.17 3.63	6.53 7.27	5.89	 102.00	30 1978	1.39 1968	NP NY NYLS	458	105 805 922 941 975
25.00 11.12	1965 99.75	COMMONWEALTH – AUSTRALIA 5.75 1/11/1985 S	96 3/8	7.68 4.18	6.45 6.67	6.06	 103.00	30 1978	1.39 1968	NP NY NYLAM	458	105 805 922 941 975
25.00 12.30	1967 97.50	COMMONWEALTH – AUSTRALIA 6.50 15/ 6/1982	99	4.30 3.05	6.76 6.87	6.57	 101.50	30 1978	1.56 1970	NP NY NYLAM	458	105 805 870 922 941 975
100.00	1977* 100.00	COMMONWEALTH – AUSTRALIA 7.50 1/ 9/1984	95 1/8	6.51	8.49	7.88	 101.50	90C 1981		NP EU LX	143	***
125.00	1976 99.88	COMMONWEALTH – AUSTRALIA 8.125 15/11/1983 S	99 3/8	5.72	8.43	8.34	8.45 100.00	30 1982		NP NY NY	457	***
75.00	1976 100.00	COMMONWEALTH – AUSTRALIA 8.25 1/ 6/1981 S	100 1/2	3.26	8.23	8.38				NP NY NY	458	20 32 33 35 60 80 90 805 927 931 940 975
120.00	1976 100.00	COMMONWEALTH – AUSTRALIA 8.25 1/10/1983	99 5/8	5.59	8.32	8.28	8.92 101.50	90C 1980		NP EU LX	143	***
125.00	1977* 100.00	COMMONWEALTH – AUSTRALIA 8.25 1/12/1984 S	99 1/4	6.76	8.57	8.49	8.59 100.00	30 1983		NP NY NY	457	20 32 33 35 60 80 90 805 927 931 940 975
150.00 150.00	1977* 100.00	COMMONWEALTH – AUSTRALIA 8.25 1/ 9/1992	94 3/4	14.51 10.46	8.90 9.03	8.71	9.12 101.50	90C 1988	7.50 1983	NP EU LX	143	***
50.00	1975 100.00	COMMONWEALTH – AUSTRALIA 8.45 15/ 6/1980 S	100 5/8	2.30	8.30	8.57				NP NY NY	458	32 33 35 805 927 931 975
120.00	1976 100.00	COMMONWEALTH – AUSTRALIA 8.50 1/10/1986	99 3/4	8.59	8.53	8.52	8.82 101.50	90C 1982		NP EU LX	143	***
50.00	1975 100.00	COMMONWEALTH – AUSTRALIA 8.75 15/ 6/1983 S	101 5/8	5.30	8.53	8.80	8.46 100.00	30 1982		NP NY NY	458	20 32 33 35 60 80 90 805 927 931 975
50.00	1976 99.63	COMMONWEALTH – AUSTRALIA 8.75 1/ 6/1986 S	101 3/8	8.26	8.48	8.82	8.64 100.00	30 1984		NP NY NY	458	20 32 33 35 60 80 90 805 927 931 975
60.00 60.00	1976 99.50	COMMONWEALTH – AUSTRALIA 8.75 1/10/1991	99 7/8	13.59 9.54	8.75 8.76	8.76	8.86 101.50	90C 1987	3.00 1982	NP EU LX	143	***
100.00 100.00	1977* 98.85	COMMONWEALTH – AUSTRALIA 8.825 1/12/1997 S	98 1/4	19.76 12.78	9.27 9.31	9.26	9.44 102.25	30 1989	6.65 1983	NP NY NY	457	20 32 33 35 60 80 90 805 927 931 940 975
75.00 75.00	1976 99.50	COMMONWEALTH – AUSTRALIA 9.00 15/11/1996 S	99	18.72 11.72	9.32 9.35	9.39	9.37 101.00	30 1991	5.00 1982	NP NY NY	457	20 32 33 35 60 805 927 931 940 975
75.00 75.00	1976 98.50	COMMONWEALTH – AUSTRALIA 9.125 1/ 6/1996 S	100	18.25 11.26	9.33 9.33	9.33	9.37 100.90	30 1991	3.75 1980	NP NY NY	458	20 32 33 35 60 90 805 927 931 940 975
25.00	1975 100.00	CSR LIMITED 9.50 15/ 7/1980	101 1/4	2.33	8.85	9.38	8.78 100.50	45 1979		NP EU LX	359	105 940 965 975
25.00 23.00	1975 99.00	GOVT OF PAPUA NEW GUINEA 9.50 15/ 3/1983	101 5/8	5.01 2.61	9.08 8.97	9.35	8.64 100.25	45C 1979	1.00 DP1976	NP EU LX	359	105 915 960 965 975
48.00 38.20	1976 100.00	HAMERSLEY HOLDINGS 8.50 1/ 1/1984	97 3/4	5.81 5.14	9.00 9.07	8.70	9.58 100.50	30 1981	1.80 DP1978	SC EU LX	456	***
		US DOLLARS-AUSTRALIA (CONTINUED)										
40.00 40.00	1976 100.00	HAMERSLEY HOLDINGS 9.50 1/ 1/1992	100 1/4	13.85 10.34	9.46 9.46	9.48	9.32 100.25	30 1985	1.00 DP1979	GG EU LX	456	***
25.00 21.25	1972 100.00	HAMERSLEY IRON FIN 8.00 15/11/1987	93 3/8	9.72 6.27	9.04 9.44	8.57	 100.25	30 1980	1.25 DP1975	PG EU LX	456	105 927 941 960 975
20.00 15.50	1971 99.50	HAMERSLEY IRON FIN 9.00 1/ 3/1986	99 1/2	8.17 2.28	9.08 9.12	9.05	9.62 100.25	30 1979	1.00 DP1972	PG EU LX	456	105 927 941 960 975
20.00 14.00	1970 97.00	HAMERSLEY IRON FIN 9.50 1/ 9/1985	99 3/4	7.51 4.64	9.53 9.55	9.52	9.66 100.25	30 1980	1.00 DP1971	PG EU LX	456	105 927 941 960 975
35.00 30.80	1975 100.00	HAMERSLEY IRON FIN 10.00 1/ 6/1982	102 3/4	4.26 3.21	9.17 9.12	9.73	7.95 100.50	30 1979	1.40 DP1976	PG EU LX	456	105 520 927 941 960 975
22.50 21.29	1972 99.75	K MART(AUST)PROPERTIES 7.75 15/ 9/1984	95 1/8	6.55 5.21	8.74 8.79	8.15			.30 DP1973	PG EU LX	418	105 960 975
36.00 32.73	1976 99.50	K MART(AUST)FIN 9.00 1/ 7/1986	100	8.34 7.21	8.98 8.99	9.00			.42 1977	NP EU LX	418	105 947 960 975
25.00 20.30	1971 100.00	MOUNT ISA FIN 8.75 15/11/1986	96 5/8	8.72 5.58	9.32 9.54	9.06	 101.00	90 1979	1.83 DP1974	PG EU LX	327	105 805 927 960 975
10.00	1976 100.00	THE INTL FIN 9.00 1/ 7/1983	96 3/8	5.34	9.86	9.34	 101.50	60C 1980		PG EU LX	325	932 960
10.00	1976 100.00	THE INTL FIN 9.00 1/ 7/1983	95 5/8	5.34	10.07	9.42	 101.50	60 1983		PG EU LX	315	932 960
20.00 20.00	1977* 100.00	THE OVERSEAS FIN 9.00 15/ 8/1987	94 1/4	9.46 7.56	9.95 10.11	9.55	10.94 101.50	60 1982	1.00 1981	PG EU LX	315	105 205 218 230 305 520 910 932 935 960 970 975
50.00 50.00	1977* 100.00	WESTERN MINING CORP 9.00 15/10/1992	97 1/8	14.63 11.29	9.36 9.42	9.27	9.67 101.50	45 1985	3.13 DP1980	NP EU LX	359	***
15.00 13.50	1975 99.00	WESTERN MINING CORP 9.75 1/ 5/1982	101 3/8	4.17 3.62	9.32 9.39	9.62	8.83 100.50	30 1979	.75 DP1976	NP EU LX	350	105 425 960 975
		US DOLLARS-AUSTRIA										
12.00 7.62	1965 97.00	ALPINE MONTAN STEEL 5.75 15/ 6/1985	93 3/4	7.30 4.09	6.86 7.56	6.13	 100.00	180C 1979	.78 1971	GG NY LXNY	35	105 310 520 805 941 975
15.00 8.10	1966 96.50	AUSTRIAN ELECTRICITY 6.625 1/ 7/1986 S	96 1/2	8.34 4.34	7.32 7.73	6.98	 101.00	90C 1978	.50 1969	GG NY LXLX	359	105 310 520 805 941 975
18.00 6.92	1967 96.50	AUSTRIAN ELECTRICITY 6.75 1/10/1983 S	99	4.59 2.59	7.13 7.30	6.93	 101.25	30 1978	1.29 1970	GG NY NYLX	327	105 310 520 805 941 975
25.00	1977* 100.25	OESTERREICHE KONTROLLBANK 7.00 1/10/1980	98	2.59	7.95	7.14				GG EU LX	218	***
25.00	1977* 100.50	OESTERREICHE KONTROLLBANK 7.50 1/10/1982	97 7/8	4.59	8.05	7.66				GG EU LX	218	***
50.00	1976 100.00	OESTERREICHE KONTROLLBANK 8.00 1/10/1981 S	99 5/8	3.59	8.28	8.19				GG NY NY	359	20 32 33 35 60 80 90 805 927 931 940 975
38.00 7.20	1964 99.00	REPUBLIC OF AUSTRIA 6.00 31/ 1/1984 S	96 3/8	5.93 3.43	6.89 6.64	6.19	 100.00	90C 1979	1.20 1970	NP EU NYLX	359	105 310 520 805 941 975
22.50 9.55	1967 98.50	REPUBLIC OF AUSTRIA 6.75 15/ 3/1982 S	98 7/8	4.04 2.11	7.20 7.37	6.94	 102.00	90C 1978	1.85 1971	NP EU LXLX	359	105 310 520 805 941 975
50.00	1977* 100.00	REPUBLIC OF AUSTRIA 7.80 15/ 7/1984 S	97 7/8	6.38	8.40	8.23	8.47 100.00	30 1983		NP NY NY	458	20 32 33 35 60 90 805 927 931 940 975
50.00 50.00	1977* 100.00	REPUBLIC OF AUSTRIA 8.625 15/ 7/1992 S	98 1/8	14.33 9.88	9.05 9.21	8.98	9.27 101.99	30 1987	5.00 DP1983	NP NY NY	458	20 32 33 35 60 90 805 927 931 940 975
50.00 47.00	1976 100.00	REPUBLIC OF AUSTRIA 8.75 15/ 8/1990	98 5/8	12.46 9.42	8.92 8.96	8.87	9.23 101.50	30C 1983	3.00 DP1977	NP EU LX	1	***
50.00	1975 100.00	REPUBLIC OF AUSTRIA 9.00 15/ 7/1982 S	102 3/4	4.33	8.40	8.85				NP NY NY	458	20 32 33 35 60 90 805 927 931 975
30.00 30.00	1977* 100.50	TAUERNAUTOBAHN 8.25 15/ 3/1987	97	9.04 7.54	8.74 8.82	8.51	9.72 101.00	60 1981	3.00 DP1982	GG EU LX	1	***
10.00 1.26	1963 98.00	VOEST 5.75 23/10/1978	98 7/8	.65 .65	7.50 7.53	5.82			1.26 1969	GG EU LX	43	115 310 520 975
		US DOLLARS-BELGIUM										
75.00 75.00	1973 100.00	MARINA B.V. 4.50 1/ 7/1988	WW 79 3/4	10.34 7.84	7.36 8.08	5.66	 100.00	30 1985	15.00 1984	PG EU LXLX	46	115 310 940 975
75.00 75.00	1973 100.00	MARINA B.V. 4.50 1/ 7/1988	XW 74 1/4	10.34 7.84	8.31 9.26	6.06	 100.00	50 1985	15.00 1984	PG EU LXLX	46	115 210 805 960 965 975
40.00	1977* 99.50	MARINA B.V. 7.875 15/ 9/1984	F 95 3/8	6.55	8.82	8.26	 101.00	000C 1982		PG EU TQ	46	115 520 805
40.00 40.00	1977* 99.00	MARINA B.V. 8.00 1/ 9/1987	95 1/4	9.51 7.51	8.74 8.88	8.40	 101.50	000 1981	8.00 1983	PG EU TQ	316	965
50.00	1976 100.50	SOC NAT DE CREDIT IND. 8.25 15/10/1981	F 99 3/8	3.63	8.43	8.30				NP EU LX	46	940 965
		US DOLLARS-BOLIVIA										
15.00	1977* 100.00	REPUBLIC OF BOLIVIA 10.25 15/ 4/1986 S	100 1/2	8.13	10.41	10.46	10.35 100.20	60 1982	1.50 DP1977	NP EU LX	518	35 915 940 975
		US DOLLARS-BRAZIL										
50.00	1977* 99.00	BANCO NAC DO DESEN ECON 9.25 1/ 7/1984	97 5/8	6.34	9.75	9.48	10.19 101.50	90C 1981		NP EU LX	140	35 105 215 218 360 915 940 942 947 963 975
50.00	1977* 100.00	LIGHT-SERVICOS DE ELET 9.00 1/10/1982	97 1/2	4.59	9.67	9.23				GG EU LX	179	***
35.00 26.46	1972 99.50	REPUBLIC OF BRAZIL 8.25 1/12/1987 S	94 3/8	9.75 5.02	9.11 9.52	8.93	10.35 101.00	90 1982	1.32 1973	NP NY NY	399	33 105 815 920 960 975
85.00	1977* 100.00	REPUBLIC OF BRAZIL 9.00 1/ 8/1982 S	99 1/4	4.42	9.42	9.07				NP NY NY	413	32 33 35 60 80 90 805 915 927 931 940 975
75.00	1976 99.00	REPUBLIC OF BRAZIL 9.25 1/ 1/1986	97 3/4	7.84	9.76	9.46	10.66 101.50	90C 1982		NP EU LX	143	***
50.00	1976 100.00	REPUBLIC OF BRAZIL 10.00 15/ 5/1986 S	102 5/8	8.21	9.75	9.83			2.93 97.977	NP NY NY	413	32 33 35 805 915 927 940
		US DOLLARS-CANADA										
35.00 30.00	1976 100.50	ALUMINUM CO OF CANADA 9.50 15/ 4/1988	103 1/2	10.13 7.36	8.95 8.83	9.18	8.76 101.50	30 1982	1.67 DP1978	NP EU LX	456	***
20.00 20.00	1976 100.00	ARCO FIN SERV-CANADA 9.25 15/ 9/1983	100 1/8	5.55 4.15	9.20 9.20	9.24	9.17 100.00	30 1981	1.00 DP1978	PG EU LX	456	33 105 915 940 947 960 975
100.00	1977* 100.00	BELL-CANADA 7.75 1/ 3/1987	94	9.17	8.72	8.24	9.53 100.50	30 1983		NP EU LX	143	***
60.00	1976 100.75	BELL-CANADA 8.75 15/ 1/1986	100 7/8	8.38	8.33	8.67	8.58 100.50	30 1982		NP EU LX	143	***
200.00	1976 99.25	BELL-CANADA 8.75 1/ 4/2006 S	100	28.09	8.94	8.94	9.08 103.20	30 1991		NP EU NY	439	35
20.00 17.50	1972 100.00	BRASCAN LTD 8.25 1/10/1987	96	9.56 5.95	8.87 9.16	8.59	 102.00	90 1980	2.00 1975	PG EU LX	308	105 915 940 960 975 980
30.00	1976 100.00	BRASCAN LTD 9.75 1/ 5/1982	100 1/2	4.17	9.58	9.70			1.00 DP1977	PG EU LX	64	105 520 915 945 960 975 980
75.00	1977* 100.00	BRITISH COLUMBIA HYDRO 7.75 15/ 5/1985	94 1/2	7.21	8.80	8.20	9.78 101.00	30 1982		SG EU LX	517	***
20.00	1975 98.50	BUDD AUTO CO OF CANADA 9.50 15/ 4/1983	101 1/2	5.15	9.11	9.36	9.06 100.50	30 1981	1.20 DP1977	PG EU LX	485	105 320 915 960 975
85.00	1976 100.00	CANADIAN PAC [illegible] 8.375 15/11/1986	97 1/8	8.72	8.85	8.62	9.31 101.00	30 1982		NP EU LX	510	***
40.00 40.00	1977* 100.50	CANADIAN PACIFIC-BERMUDA 8.25 1/ 7/1984	99 1/4	6.34 4.92	8.39 8.44	8.31	8.44 100.00	60 1982	2.70 DP1978	NP EU LX	218	***
15.00 7.00	1970 100.00	CITY OF MONTREAL 9.00 1/ 2/1985	100 1/2	6.93 3.93	8.90 8.84	8.96	9.48 102.00	30 1980	1.00 1971	NP EU LX	362	105 945 975 980
50.00	1976 100.00	CITY OF MONTREAL 9.25 15/ 2/1983	101 1/2	4.97	8.86	9.11			2.50 DP1977	NP EU LX	143	***
50.00	1975 100.00	CITY OF MONTREAL 9.75 1/12/1981	103 1/2	3.76	8.60	9.42			2.50 DP1976	NP EU LX	143	***
25.00	1975 100.00	CITY OF MONTREAL 9.85 15/ 7/1980 S	101 3/8	2.38	9.40	9.85				GG NY NY	458	40 980
10.00 7.20	1970 99.25	CITY OF QUEBEC 9.00 1/ 4/1982 S	99 3/4	4.09 3.51	9.28 9.29	9.23	 101.00	30C 1979	.40 1971	NP EU LX	330	105 945 975 980
5.00	1976 100.00	CITY OF VANCOUVER 8.75 30/ 9/1981	99 5/8	3.59	8.35	8.78				NP EU LX	40	105 980
10.00	1976 100.00	CITY OF VANCOUVER 8.75 30/ 9/1986	99 3/8	10.59	8.83	8.81	9.30 101.50	45 1981	.50 DP1976	NP EU LX	40	105 945 980
40.00	1977* 100.50	CITY OF WINNIPEG 8.25 15/ 3/1987	96 1/8	9.22	8.87	8.58				NP EU LX	64	***
25.00 25.00	1977* 99.50	CONSOLIDATED – BATHURST 9.00 1/10/1992	95 1/2	14.59 10.59	9.57 9.69	9.42	 105.00	30 1978	1.00 1978	NP EU LX	218	***
25.00	1975 99.50	CHRYSLER 10.00 15/11/1981	103 5/8	3.72	8.79	9.65			2.00 DP1976	NP EU LX	46	105 945 975 980
20.00 20.00	1977 100.00	GREAT LAKES PAPER CO 8.75 1/ 3/1984	99 1/4	6.01 5.31	8.92 8.84	8.82	8.98 100.00	30 1982	1.00 DP1980	NP EU LX	218	***
25.00 24.00	1976 100.50	HOME OIL CO 9.50 1/ 3/1986	101 1/4	8.34 7.42	9.26 9.24	9.38	 105.00	45 1978	1.00 DP1977	NP EU LX	390	105 205 305 360 520 805 915 940 945 960 975 980
50.00	1977* 100.00	INCO 8.25 15/12/1984	96 1/2	6.80	8.95	8.55	9.48 100.50	30 1981		NP EU LX	485	***
100.00	1977* 100.00	INCO 9.00 15/12/1992	96 7/8	14.80	9.39	9.29	9.80 101.50	30 1984	2.00 DP1978	NP EU LX	456	***
45.00	1976 100.00	IAC CANADIAN FINANCE 9.00 1/ 5/1982	101 3/8	4.17	8.58	8.88	8.17 100.50	30 1981		PG EU LX	337	***
35.00	1976 100.00	IAC CANADIAN FINANCE 9.50 1/ 5/1986	103 1/8	8.17	8.93	9.21	8.60 101.50	30 1981	1.00 DP1977	PG EU LX	337	***
50.00 48.55	1977 100.00	MACMILLAN BLOEDEL 9.00 1/ 3/1992	96 5/8	13.95 11.21	9.44 9.50	9.31	 101.50	30 1986	1.45 DP1978	NP EU LX	456	***
20.00 9.50	1970 100.00	MASSEY-FERGUSON IND N.V. 9.00 15/ 1/1982	92 1/8	3.88 2.43	11.62 12.35	9.77	 100.00	30 1978	1.50 DP1972	PG EU AM	442	945 975 980
25.00	1976 100.00	MASSEY-FERGUSON IND N.V. 9.50 1/ 6/1991	95 3/4	13.26	10.08	9.92	10.27 100.00	45 1986	4.50 DP1977	PG EU LX	390	35 105 305 360 520 805 915 940 945 960 975 980
40.00 37.00	1975 100.50	MASSEY-FERGUSON IND N.V. 9.75 1/ 7/1982	96	4.34 3.93	10.92 11.05	10.16	11.74 100.00	30 1980	1.50 DP1978	PG EU AM	442	805 945 975 980
30.00 2.00	1959 100.00	MONTREAL PUBLIC WORKS 5.625 1/11/1979 S	96 1/2	1.68 1.15	8.01 8.89	5.91	 101.00	30C 1978	1.00 1960	NP NY NY		975
50.00	1976 99.50	MONTREAL URBAN COMM. 8.75 1/ 6/1981	100 5/8	3.26	8.50	8.70				NP EU LX	343	***
40.00 36.00	1976 100.00	NEW BRUNSWICK E.P.COMM 9.00 15/ 1/1983	100 5/8	4.88 4.33	8.83 8.83	8.94	 101.00	 1980	3.00 DP1977	NP EU LX	456	***
25.00	1976 100.00	NEWFOUNDLAND & LAB HYDRO 9.75 15/ 3/1986	102 1/2	8.04	9.29	9.51	9.07 101.00	60 1981	1.00 DP1977	NP EU LX	456	35 105 305 520 805 915 940 945 960 975 980
35.00	1976 100.50	NEWFOUNDLAND NEW FIN 9.25 15/ 9/1988	99 7/8	10.55	9.25	9.26	9.44 101.00	60 1982	1.75 DP1977	SG EU LX	40	***
15.00	1975 99.50	NORANDA MINES 9.75 1/11/1980	102 7/8	2.68	8.47	9.48				NP EU LX	64	105 945 975 980
125.00	1977* 100.50	ONTARIO HYDRO 8.00 15/ 4/1987	95 1/2	9.13	8.73	8.38				NP EU LX	143	***
75.00	1976 99.10	ONTARIO HYDRO 8.25 1/ 5/1983	[illegible]	5.21	9.11	8.28				NP EU LX	143	***
[illegible]	1971 100.00	ONTARIO HYDRO-ELECTRIC 8.25 15/ 1/1986	[illegible]	[illegible]	[illegible]	8.28	 101.00	90 1978	 1977	[illegible]	343	105 305 520 870 937 945 975 980
100.00	1976 99.50	ONTARIO HYDRO 8.50 10/ 9/1986	[illegible]	8.53	8.25	8.33				NP EU LX	143	***
75.00	1975 99.50	ONTARIO HYDRO 9.00 15/ 9/1980	102	2.55	8.08	8.82				NP EU LX	143	***
75.00	1975 99.50	ONTARIO HYDRO 9.00 1/ 1/1983	102	4.85	8.47	8.82				NP EU LX	326	***
25.00 25.00	1975 98.50	[illegible] 9.50 15/ 3/1990	102 1/2	12.01 7.42	9.15 9.16	9.27	 101.00	45 1981	2.10 1981	NP EU LX	64	105 305 520 870 945 960 975 980
20.00	1975 100.00	POLYSAR 9.50 15/12/1985	103 1/2	8.80	9.43	9.43	[illegible] 102.00	30 1981		NP EU LX	64	***
		US DOLLARS-CANADA (CONTINUED)										
30.00	1975 100.00	POLYSAR LTD 10.00 15/ 1/1982	102 5/8	3.88	9.15	9.74			1.00 DP1978	NP EU LX	64	105 945 975 980
50.00	1976 100.00	PROVINCE OF MANITOBA 8.75 15/ 4/1983	100 1/2	5.13	8.61	8.71				NP EU LX	64	***
35.00 25.00	1975 99.50	PROVINCE OF MANITOBA 9.25 30/ 4/1985	102 1/4	7.17 5.17	8.80 8.68	9.05	8.91 102.00	90 1980	3.00 1981	NP EU LX	64	105 910 945 975 980
50.00	1977* 99.50	PROVINCE – NEW BRUNSWICK 8.00 15/ 7/1984	97 1/4	6.38	8.56	8.23	9.22 101.00	45C 1981		NP EU LX	517	***
10.00 4.00	1969 98.00	PROVINCE – NEW BRUNSWICK 8.75 15/12/1979	100 1/2	1.80 1.30	8.40 8.35	8.71	 101.00	30 1978	2.00 1970	NP EU LX	361	105 520 945 975 980
35.00	1976 100.75	PROVINCE – NEW BRUNSWICK 8.75 1/ 6/1983	100 7/8	5.42	8.52	8.67	8.68 101.00	45C 1980		NP EU LX	517	***
20.00 16.40	1971 99.50	PROVINCE OF NEWFOUNDLAND 8.50 2/ 3/1986	99 1/8	8.01 4.25	8.66 8.77	8.58	9.60 102.50	90 1981	1.60 1972	NP EU LX	346	105 945 975 980
50.00	1977 100.50	PROVINCE OF NEWFOUNDLAND 9.00 15/ 2/1989	99 5/8	10.97	9.05	9.03	9.26 101.00	45 1983	1.15 DP1977	NP EU LX	49	***
15.00 10.00	1970 100.00	PROVINCE OF NOVA SCOTIA 9.00 15/ 5/1985	100 7/8	7.21 4.11	8.92 8.73	8.92	9.37 102.50	90 1980	2.00 1971	NP EU LX	346	105 945 975 980
125.00	1975 100.00	PROVINCE OF ONTARIO 8.20 15/12/1982 S	100	4.80	8.36	8.37	8.36 100.00	30 1981		DL NY NY	479	60 805
30.00 27.00	1973 99.00	PROVINCE OF QUEBEC 7.50 15/ 1/1988	91 3/4	9.88 7.40	8.78 9.08	8.17	 101.50	30 1981	1.00 1976	NP EU LX	359	35 105 305 520 870 940 945 975 980
50.00	1976 100.00	PROVINCE OF QUEBEC 8.50 1/ 4/1981	100 1/2	3.09	8.30	8.46				NP EU LX	359	***
75.00	1976 100.00	PROVINCE OF QUEBEC 9.00 15/ 1/1983	100 1/8	4.88	8.96	8.99				NP EU LX	517	***
50.00	1976 100.00	PROVINCE OF QUEBEC 9.00 1/ 4/1984	100 1/8	6.09	8.97	8.99	9.16 100.75	30 1981		NP EU LX	359	***
15.00 8.70	1970 100.00	PROVINCE OF QUEBEC 9.00 1/ 3/1985	99 3/4	7.01 4.11	9.03 9.08	9.02	 102.00	30 1980	.90 1971	NP EU LX	361	105 945 975 980
60.00 60.00	1977* 99.00	PROVINCE OF QUEBEC 9.00 1/11/1995	96	17.68 9.77	9.46 9.64	9.38	9.71 101.00	30 1987	2.40 1978	NP EU LX	517	***
75.00	1976 101.00	PROVINCE – SASKATCHEWAN 8.75 1/ 9/1986	99 7/8	8.51	8.76	8.76	9.04 101.50	45 1982		NP EU LX	517	***
20.00	1969 98.00	QUEBEC HYDRO-ELECTRIC 8.00 15/10/1979	99 1/8	1.63	8.54	8.07				SG EU LX	361	105 975 980
20.00 15.20	1971 97.00	QUEBEC HYDRO-ELECTRIC 8.25 15/ 3/1986	98 5/8	8.04 5.18	8.49 8.59	8.37	9.08 101.00	30 1981	.80 1972	SG EU LX	361	105 520 870 945 975 980
25.00 22.00	1971 100.00	QUEBEC HYDRO-ELECTRIC ISE 8.50 15/11/1985	98 5/8	8.72 5.99	8.72 8.80	8.62	9.17 101.00	30 1981	1.00 1975	SG EU LX	359	105 230 520 870 941 945 975 980
125.00	1976 100.00	QUEBEC HYDRO-ELECTRIC IS 8.50 1/11/1996	97 7/8	8.68	8.85	8.68	9.34 101.00	30 1982		SG EU LX	359	***
30.00 28.00	1974 98.50	QUEBEC HYDRO-ELECTRIC 8.50 1/ 2/1989	97 1/2	10.93 8.43	8.86 8.94	8.72	9.62 101.50	30 1982	1.00 1977	SG EU LX	361	105 320 870 945 975 980
125.00	1977* 100.00	QUEBEC HYDRO 9.00 1/ 8/1992	95 3/4	14.42	9.54	9.40	9.76 101.00	30 1987	6.00 DP1977	SG EU LX	517	***
15.00 10.20	1970 99.50	QUEBEC HYDRO-ELECTRIC 9.25 1/10/1985	100 1/4	7.59 4.33	9.18 9.16	9.23	9.80 102.00	30 1980	.90 1971	SG EU LX	359	105 945 975 980
15.00 15.00	1975 98.50	QUEBEC URBAN COMMUNITY 9.50 15/ 9/1982	99 5/8	4.55 4.35	9.58 9.60	9.54			1.50 1980	NP EU LX	230	105 115 520 945 975 980
25.00	1977* 100.00	REDPATH INDUSTRIES 9.00 15/ 9/1989	94 5/8	11.55	9.76	9.50	10.67 101.00	30 1982		NP EU LX	64	***
60.00	1976 100.00	SEAGRAM 9.00 15/ 2/1983	101 5/8	4.97	8.58	8.86	8.51 100.50	 1981		NP EU LX	316	***
		US DOLLARS-COLOMBIA										
20.00 15.50	1973 100.00	REPUBLIC OF COLOMBIA 8.25 1/ 2/1988 S	97 3/8	9.93 5.49	8.83 9.06	8.65	9.47 102.00	30 1983	.50 1974	NP NY NY	399	915 920 975
		US DOLLARS-DENMARK										
15.00 12.60	1971 98.50	CARLSBERG-TUBORG 8.75 1/ 4/1986	100 3/8	8.09 4.51	8.68 8.65	8.72	8.89 101.00	60C 1981	1.00 DP1974	NP EU LX	335	105 710 720 730 735 955 960 975
15.00 1.50	1963 98.23	CITY OF COPENHAGEN 5.375 15/ 5/1978 S	99	.21 .21	10.33 10.33	5.50	 100.00	30 1978	1.50 1969	NP NY NY	485	105 520 710 730 735 955 960 975
15.00 8.00	1965 99.50	CITY OF COPENHAGEN 6.00 16/11/1985	94 7/8	7.72 4.22	6.87 7.46	6.32	 101.00	90C 1978	1.09 1971	NP EU LXLX	315	105 520 710 720 730 735 932 941 955 960 975
25.00 12.50	1967 99.00	CITY OF COPENHAGEN 6.50 15/ 4/1987	94 5/8	9.13 4.63	7.32 7.94	6.87	 102.00	90C 1979	1.25 1968	NP NY LXLX	315	105 520 710 720 730 735 932 941 955 960 975
12.00 7.25	1969 97.75	CITY OF COPENHAGEN 8.00 15/ 9/1984	99 1/2	6.55 3.86	8.09 8.15	8.04	 101.50	30 1979	.75 1970	NP EU LX	485	105 520 710 730 735 955 960 975
15.00 10.50	1970 98.00	CITY OF COPENHAGEN 9.00 1/10/1985	100 3/4	7.59 4.73	8.84 8.78	8.93	9.21 102.00	90C 1981	1.00 1971	NP EU LX	335	105 520 710 730 735 935 960 975
10.00 10.00	1977* 100.00	CO-OP DENMARK 8.625 15/10/1984	94 7/8	6.63 4.63	9.69 10.04	9.09			2.00 1980	NP EU LX	375	955 965
15.00 14.00	1972 97.50	COPENHAGEN COUNTY AUTH 7.75 15/ 2/1987	95	8.97 6.07	8.57 8.85	8.16	 101.50	45C 1981	.50 1977	NP EU LX	315	105 520 710 715 730 735 932 955 960 975
25.00	1977 100.00	COPENHAGEN HANDELSBANK 8.00 15/ 1/1982	96	3.89	9.26	8.33				NP EU LX	332	936
15.00 1.50	1963 98.00	COPENHAGEN TELEPHONE 5.375 15/ 4/1978 S	99 1/8	.13 .13	12.43 12.43	5.50	 100.00	30 1978	1.50 1969	NP NY NY	72	105 520 710 735 941 935 960 975
12.00 4.00	1964 99.50	COPENHAGEN TELEPHONE 5.25 12/ 2/1984	97 1/4	5.96 3.46	6.32 6.68	5.91	 101.50	90 1978	.60 1970	NP EU LXLX	315	105 520 710 720 730 735 941 955 960 975
15.00 7.00	1964 100.00	COPENHAGEN TELEPHONE 5.75 1/ 7/1984	96	6.34 3.34	6.53 7.12	5.99	 101.50	30 1978	1.00 1970	NP EU NY	72	105 520 710 720 730 735 941 955 960 975
10.00 5.00	1967 98.00	COPENHAGEN TELEPHONE 6.75 15/10/1982	97 7/8	4.63 2.63	7.29 7.45	6.90	 101.00	30 1978	1.00 1973	NP EU NYLX	72	105 520 710 730 735 941 955 960 975
10.00 6.01	1966 93.75	COPENHAGEN TELEPHONE 6.75 1/ 4/1986	98 1/2	8.09 4.21	7.00 7.18	6.35	 101.50	30 1978	.66 1972	NP EU NY	72	105 520 710 730 735 941 955 960 975
		US DOLLARS-DENMARK (CONTINUED)										
15.00 10.50	1971 100.00	COPENHAGEN TELEPHONE 8.50 1/ 2/1986	100 3/8	7.93 4.70	8.43 8.41	8.47	9.01 101.50	30 1980	1.05 1973	NP EU LX	72	105 520 710 730 735 955 960 975
10.00 7.00	1970 100.00	COPENHAGEN TELEPHONE 9.00 15/ 4/1985	100 5/8	7.13 3.90	8.87 8.81	8.94	9.31 101.50	30 1980	.73 1972	NP EU LX	72	105 520 710 720 735 935 960 975
25.00	1977* 100.00	DEN DANSKE PROVINSBANK 8.25 15/ 7/1982	96 3/4	4.38	9.16	8.53	9.80 100.00	360 1980		NP EU LX	359	***
15.00 8.56	1964 99.25	DENMARK – ASS MUNICIPAL 5.75 30/ 6/1984	96 3/8	6.34 3.56	6.46 6.93	5.97	 100.50	40C 1978	1.03 1970	NP EU LXLX	315	105 520 710 720 730 735 932 941 955 960 975
12.00 3.60	1964 99.00	DENMARK – MORTGAGE BANK 5.625 15/ 3/1984 S	95 1/2	6.01 3.04	6.64 7.43	5.98	 100.50	90C 1978	.60 1970	GG EU LXLX	359	105 520 710 720 730 735 932 941 955 960 975
12.00 3.35	1966 96.50	DENMARK – MORTGAGE BANK 6.25 15/ 1/1986	94 5/8	7.91 4.43	7.16 7.73	6.61	 101.50	90C 1979	.66 1969	GG EU LXLX	315	105 520 710 720 730 735 932 941 955 960 975
12.00 5.00	1967 97.00	DENMARK – MORTGAGE BANK 6.75 28/ 3/1982	98 3/8	4.00 2.00	7.23 7.66	6.86	 101.50	90C 1979	1.00 1969	GG EU LXLX	315	105 520 710 720 730 735 932 941 955 960 975
12.00 4.50	1968 97.75	DENMARK – MORTGAGE BANK 7.25 1/ 3/1980	100	2.01 1.01	7.25 7.25	7.25	7.43 100.50	30 1978	1.50 1969	GG EU AMLX	327	105 520 710 720 730 735 941 955 960 975
25.00 23.50	1972 97.50	DENMARK – MORTGAGE BANK 7.50 1/ 1/1991	92 3/8	12.84 8.46	8.49 8.82	8.12	 101.75	30 1981	.50 DP1976	GG EU LX	327	***
30.00	1976 99.00	DENMARK – MORTGAGE BANK 9.00 1/ 4/1983	101 7/8	5.09	8.52	8.83	8.42 100.50	30 1981		GG EU LX	327	***
25.00	1978* 99.38	ELSAM – JUTLAND FUNEN E C 9.00 15/ 3/1985	97 1/8	7.04	9.58	9.27	10.11 101.00	30 1982		NP EU LX	235	425 932 955 975
10.00 5.38	1964 98.75	JUTLAND-FUNEN ELECTRIC 5.75 15/ 9/1984	94	6.55 3.54	6.91 7.73	6.12	 100.50	40C 1978	.77 1972	NP EU LXLX	315	105 520 710 720 730 735 932 941 955 975
10.00 4.67	1964 98.75	JUTLAND TELEPHONE 5.75 1/ 3/1984 S	94 1/8	6.17 3.18	7.05 8.02	6.20	 101.00	90C 1978	.67 1970	NP EU LXLX	359	105 520 710 730 735 932 941 955 960 965 975
5.00 2.34	1966 88.00	JUTLAND TELEPHONE 5.75 1/ 5/1984 S	94 3/8	6.17 3.18	7.00 7.93	6.19	 101.00	90C 1978	.33 1970	NP EU LXLX	359	710 730 735 932 941 955 960 965
25.00 11.72	1964 98.50	KINGDOM OF DENMARK 5.50 8/ 4/1984	95 7/8	6.11 3.14	6.33 7.00	5.74	 101.00	40C 1979	1.66 1970	NP EU LXLX	315	105 520 710 720 730 735 932 941 955 960 975
20.00 10.67	1965 99.00	KINGDOM OF DENMARK 6.00 15/ 6/1985	97 1/2	7.30 3.80	6.43 6.76	6.15	 101.50	30 1978	1.33 1971	NP EU NY	327	105 520 710 730 735 932 941 955 960 975
25.00 11.20	1967 99.25	KINGDOM OF DENMARK 6.75 1/ 9/1982	98 3/8	4.51 2.46	7.17 7.47	6.86	 101.00	30 1978	2.35 1972	NP EU NY	327	105 520 710 730 735 932 941 955 960 975
30.00 25.20	1972 99.00	KINGDOM OF DENMARK 7.50 15/ 1/1990	94 1/8	11.88 7.40	8.29 8.61	7.97	 102.00	30 1981	1.60 DP1976	NP EU LX	327	***
100.00 96.00	1976 99.00	KINGDOM OF DENMARK 8.50 1/10/1986	100	6.59 6.06	8.48 8.49	8.50	8.66 101.00	30C 1982	3.00 DP1977	NP EU LX	165	***
20.00 12.00	1970 100.00	KINGDOM OF DENMARK 9.00 1/ 3/1985	101	4.01 2.34	8.69 8.54	8.91	7.93 100.00	30C 1979	2.00 DP1972	NP EU LX	441	105 520 710 720 730 735 941 955 960 975
20.00 14.00	1970 99.25	KINGDOM OF DENMARK 9.25 1/12/1985	101 7/8	7.76 4.54	8.89 8.71	9.08	9.10 102.00	30 1979	1.50 DP1972	NP EU LX	327	105 520 710 720 730 735 955 960 975
8.00 1.60	1964 99.00	MIDKRAFT ELECTRICITY 5.75 30/ 6/1979	98 1/8	1.34 .84	7.23 8.12	5.86			.80 1970	NP EU LXLX	346	105 520 710 720 730 735 955 960 975
30.00	1977* 100.00	PRIVATBANKEN 8.00 15/ 4/1985	93 1/8	6.13	9.52	8.59	 101.50	45 1981		NP EU LX	230	***
25.00	1977* 100.00	SPAREKASSEN SDS 8.25 15/ 3/1982	96 3/8	4.04	9.36	8.56				NP EU LX	232	105 710 927 960
6.00 .60	1963 99.00	VESTKRAFT ELECTRICITY 5.50 15/ 4/1978 S	98 7/8	.14 .14	13.95 13.95	5.64			.60 1969	GG EU LX	221	105 520 735 955 960 975
		US DOLLARS-FINLAND										
15.00 10.00	1977 99.50	CITY OF HELSINKI 8.75 15/11/1986 S	100	8.72 5.07	8.94 8.94	8.94	9.42 102.00	90C 1981	1.00 1973	NP EU LX	359	105 520 705 710 715 725 745 955 960 975
30.00	1977 100.00	ENSO-GUTZEIT 8.25 15/ 2/1984	96 7/8	5.97	8.95	8.52	 101.50	45 1981		GG EU LX	517	***
20.00	1975 99.00	ENSO-GUTZEIT 9.75 5/ 3/1982	102 1/4	4.18	9.06	9.54			1.20 DP1976	GG EU LX	230	105 520 705 715 725 745 930 955 960 975
20.00 17.50	1972 100.50	FINLAND – IND MTGE BANK 8.00 15/12/1987	96 1/2	9.80 7.05	8.53 8.68	8.39	 102.00	30C 1980	.55 DP1973	GG EU LX	454	105 520 705 710 715 725 735 745 950 955 960 975
25.00 25.00	1977* 100.00	FINLAND – INDUST FUND 8.25 18/ 9/1987	97 1/8	9.56 6.41	8.69 8.84	8.49	9.71 102.00	60C 1981	3.75 1981	GG EU LX	179	***
25.00 25.00	1976 100.00	FINLAND – INDUST FUND 9.00 18/ 9/1984	100 1/4	6.56 3.92	8.93 8.91	8.98	 102.00	30 1979	1.00 1978	GG EU LX	402	***
12.00 2.28	1967 93.88	FINLAND MORTGAGE BANK 7.25 15/ 4/1979 S	99 3/4	1.13 .66	7.61 7.78	7.40			1.08 1969	GG EU LXAM	35	105 520 705 710 715 725 735 955 960 975
15.00 10.50	1971 98.00	FINLAND MORTGAGE BANK 8.50 15/ 2/1986 S	99 1/8	7.97 4.82	8.64 8.92	8.76	 102.00	30 1978	1.00 1973	GG EU LX	35	105 520 705 710 715 725 735 745 955 960 975
20.00 20.00	1976 100.00	FINLAND MORTGAGE BANK 9.25 1/ 4/1983	101 1/4	5.08 3.74	8.93 8.85	9.14	9.23 101.50	30 1980	1.00 1978	GG EU LX	408	***
20.00 20.00	1975 99.00	FINLAND MORTGAGE BANK 9.75 15/10/1981	102 1/8	3.63 3.13	9.01 8.94	9.55	 103.00	45 1978	1.00 DP1976	GG EU LX	315	***
15.00	1975 98.50	FINNISH EXPORT CREDIT 9.25 15/ 8/1980	101 1/4	2.46	8.62	9.14	8.26 100.00	30 1979		GG EU LX	412	105 520 705 715 725 735 745 927 930 955 960 975
20.00	1976 99.00	FINNISH EXPORT CREDIT 9.25 15/ 3/1981	101 1/4	2.97	8.75	9.14	8.53 100.00	30 1980		GG EU LX	46	***
15.00 13.25	1972 99.50	FINNISH MUNICIPAL LOAN 8.25 15/ 3/1987	97 1/4	9.04 5.61	8.70 8.90	8.48	 102.00	30 1980	.75 DP1975	GG EU LX	454	***
15.00 13.50	1974 98.00	FINNISH MUNICIPAL LOAN 8.75 1/ 2/1989	98 5/8	10.93 7.98	8.95 9.00	8.87	9.62 102.00	30C 1982	.35 DP1975	GG EU LX	454	***
20.00	1972 95.00	OUTOKUMPU 7.50 1/ 2/1979	99 1/4	.93	8.33	7.56				GG EU LX	361	105 115 520 705 715 725 745 955 960 975
		US DOLLARS-FINLAND (CONTINUED)										
15.00 10.50	1971 98.50	PEKEMA OY 8.75 1/12/1986	100	8.76 5.32	8.75 8.75	8.75	9.55 102.50	60 1982	1.00 1973	GG EU LX	316	105 520 705 710 715 725 735 745 955 960 975
10.00 1.20	1964 93.25	RAUMA-REPOLA 6.50 7/10/1979 S	98 3/8	1.61 1.12	7.71 8.19	6.62	 100.25	40C 1978	.83 1966	NC EU LXLX	315	105 520 710 715 725 735 955 960 975
8.00 1.48	1964 98.50	RAUTARUUKKI OY 6.25 23/ 6/1979 S	98 1/2	1.32 .83	7.19 8.27	6.45	 100.25	40C 1978	.72 1966	GG EU LXLX	315	105 520 710 715 725 735 955 960 975
15.00 14.25	1976 100.00	RAUTARUUKKI OY 9.00 1/11/1983	100 1/8	5.68 4.93	8.95 8.95	8.99	9.17 101.00	30C 1981	.71 1977	GG EU DQ	402	315 745 960
15.00 2.50	1964 97.50	REPUBLIC OF FINLAND 6.00 1/12/1979 S	98 1/2	1.76 1.01	7.03 7.71	6.18	 100.50	30 1978	.63 1968	NP NY NY	404	105 520 705 710 715 725 735 745 955 960 975
15.00 3.75	1965 99.00	REPUBLIC OF FINLAND 6.50 15/10/1980 S	98 3/8	2.63 1.33	7.31 7.91	6.72	 101.00	30 1978	.63 1969	NP NY NY	404	105 520 705 710 715 725 735 745 955 960 975
20.00	1976 99.70	REPUBLIC OF FINLAND 7.875 15/12/1981 S	99	3.80	8.15	8.11				NP NY NY	413	32 33 35 60 80 715 805 927 931 940 975
50.00 50.00	1977* 98.35	REPUBLIC OF FINLAND 8.75 15/10/1992 S	94 3/8	14.63 10.13	9.42 9.52	9.29	9.66 101.65	30 1987	5.00 DP1983	NP NY NY	485	***
		US DOLLARS-FRANCE										
15.00 10.50	1970 99.25	AEROPORT DE PARIS 9.00 15/ 4/1985	100 7/8	7.13 3.99	8.83 8.73	8.92	 102.00	90 1978	1.00 DP1971	GG EU LX	105	105 205 210 215 520 940 975
25.00 23.00	1975 99.50	AIR FRANCE 9.50 18/ 2/1982	102	3.98 2.87	8.88 8.69	9.31	8.30 101.00	30 1979	3.50 1977	GG EU LX	105	105 205 210 215 220 305 320 340 930 935 940 975
20.00 11.62	1967 99.50	ANDRE CITROEN 6.75 15/ 3/1982	93 3/8	4.04 2.17	8.21 9.33	7.20	 101.50	90 1978	2.03 1973	NP EU LX	93	105 205 210 215 520 540 941 975
20.00 20.00	1974 99.25	B.F.C.E. 8.375 15/ 3/1981	99 7/8	3.04 2.09	8.42 8.44	8.39			6.00 1979	GG EU LX	117	105 210 215 220 520 930 975
75.00 69.00	1976 100.00	B.F.C.E. 8.75 15/ 2/1983	100 3/8	4.97 4.16	8.65 8.63	8.72	9.01 101.00	45 1980	3.00 1977	GG EU LX	92	***
75.00	1976 100.00	B.F.C.E. 8.95 15/ 7/1983 S	101 1/4	5.38	8.84	9.03	8.73 100.00	30 1982		GG NY NY	361	20 32 33 35 60 90 205 805 927 931 940 975
50.00 46.00	1975 100.00	B.F.C.E. 9.00 26/ 3/1982	100 1/2	4.07 2.96	8.85 8.80	8.96	9.38 101.00	30 1979	3.50 1976	GG EU LX	105	***
20.00 18.50	1974 99.75	B.F.C.E. 9.00 15/ 3/1989	100 1/4	11.04 7.23	8.96 8.95	8.98	9.49 102.00	60 1981	.50 1975	GG EU LX	117	105 205 210 215 220 520 930 975
100.00	1975 100.00	B.F.C.E. 9.125 15/ 3/1980 S	101 5/8	2.21	8.47	9.18	8.24 100.00	30 1979		GG NY NY	300	20 32 33 35 60 90 205 805 931 940 975
50.00	1977* 100.00	BQUE NATIONALE DE PARIS 7.625 15/ 7/1982	96 7/8	4.38	8.49	7.87				NP EU LX	92	***
40.00	1975 100.50	BQUE NATIONALE DE PARIS 9.50 15/ 2/1981	102 5/8	2.97	8.46	9.26				NP EU LX	92	105 205 210 215 220 320 930 935 940 975
7.50	1974 100.00	C.C.C.E. 10.25 15/11/1980	104	2.72	8.50	9.86				GG EU LX	92	205
7.50	1974 100.00	C.C.C.E. 10.25 15/11/1982	104 1/8	4.72	9.11	9.84				GG EU LX	92	205 210 215 220 975
30.00	1976 100.25	CHARBONNAGES DE FRANCE 8.375 1/ 4/1981	100 1/8	3.09	8.32	8.36				GG EU LX	96	***
10.00 3.29	1965 97.25	CIMENTS LAFARGE 6.00 15/ 9/1980	98 1/8	2.55 1.59	7.71 8.08	6.36	 100.50	 1978	1.00 1969	NP EU LXAM	103	105 205 210 215 520 941 975
20.00 14.90	1971 98.50	CIMENTS LAFARGE 8.75 25/ 3/1986	99	8.07 5.13	8.92 9.00	8.84	 101.25	120 1979	.85 1972	NP EU LX	103	105 205 210 215 520 540 975
20.00 17.60	1974 96.00	CITY OF MARSEILLE 10.25 19/12/1986	L 102 1/2	8.81 4.39	9.80 9.23	10.00	10.66 103.875	30C 1979	2.40 1975	NP EU LX	96	205 210 215 220 520 975
35.00	1976 99.50	COMPAGNIE NAT DU RHONE 8.75 20/10/1986	99 1/8	8.64	8.88	8.83	9.51 101.25	60 1980	1.00 DP1976	GG EU LX	117	***
25.00 21.25	1975 99.75	COMPAGNIE NAT DU RHONE 10.00 1/ 2/1982	103 3/8	3.93 3.39	8.93 [illegible]	9.67	8.51 101.00	30 1980	1.25 1976	GG EU LX	93	105 205 210 215 220 520 930 960 975
50.00 6.80	1959 99.50	CREDIT FONCIER DE FRANCE 5.50 15/12/1979 S	98 1/4	1.80 1.09	6.65 7.32	5.60	 100.00	30 1978	1.60 1964	GG NY NY LX		105 205 215 805 941 975
100.00 100.00	1976 99.00	CREDIT NATIONAL 8.50 15/12/1986	97 5/8	8.80 6.80	8.88 8.87	8.71			20.00 1982	GG EU LX	105	***
20.00 9.60	1970 99.50	E.R.A.P. 9.00 15/ 2/1982	100 1/4	3.97 2.97	8.93 8.90	8.98	 101.50	30 1978	1.60 DP1971	NP EU LX	93	105 205 210 215 520 985
60.00	1975 99.50	E.R.A.P. 9.75 15/11/1985	101 3/4	7.72	9.40	9.58	9.13 100.50	30 1980	2.40 DP1976	NP EU LX	485	***
30.00 6.00	1967 93.75	ELECTRICITE DE FRANCE 6.50 15/ 2/1979	98 1/4	.97 .97	8.45 8.45	6.62	8.45 100.00	90C 1979	6.00 1973	GG EU AMLX	212	20 105 205 210 215 320 805 941 975
20.00	1971 99.00	ELECTRICITE DE FRANCE 7.75 1/ 5/1978	99 5/8	.17	9.66	7.78				GG EU LX	92	105 205 210 215 320 941 975
20.00 17.60	1971 99.00	ELECTRICITE DE FRANCE 8.50 1/ 5/1986	98 7/8	8.17 5.95	8.69 8.75	8.60	9.47 102.00	30 1981	.80 1972	GG EU LX	91	35 105 205 210 215 320 940 975
50.00	1977* 99.75	ELECTRICITE DE FRANCE 8.50 1/ 6/1987 S	96 5/8	9.26	9.25	8.79	9.39 100.00	30 1984		GG NY NY	445	20 32 33 35 60 90 205 805 927 931 940 975
100.00	1976 100.00	ELECTRICITE DE FRANCE 8.875 15/ 1/1983 S	100 7/8	4.88	8.63	8.80	8.78 100.00	30 1982		GG NY NY	445	***
100.00	1976 100.00	ELECTRICITE DE FRANCE 8.90 15/ 9/1986 S	99 1/2	8.55	9.19	8.94	9.21 100.00	30 1984		GG NY NY	445	20 32 33 35 60 90 205 805 927 931 940 975
75.00	1977* 100.00	ELF AQUITAINE 8.25 15/ 4/1985	96 1/4	7.13	8.96	8.57	9.42 100.50	30C 1982		NP EU LX	143	***
40.00	1977 99.50	ELF [illegible] 7.50 15/ 2/1982	F 96 1/2	3.97	8.57	7.77				PG EU EQ	315	805 870 920 947
20.00 10.82	1965 98.25	FRANCAISE DES PETROLES 6.00 15/10/1985	93 3/4	7.63 4.43	7.08 7.71	6.40	 101.25	 1978	1.04 DP1966	NP EU AMLX	93	105 205 210 215 320 340 805 941 975
30.00	1975 100.00	FRANCAISE DES PETROLES 9.00 15/ 1/1982	100 1/2	3.88	8.83	8.96				NP EU LX	93	***
55.00	1977* 100.00	G.I.E. 9.00 15/12/1985	L 99 3/8	7.80	9.24	9.06				PG EU LX	316	305 980

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ISSUED/ ESTIMATED O/S (M/IO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (M/IO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		US DOLLARS—FRANCE (CONTINUED)										
25.00 / 25.00	1976 / 99.75	[illegible] 9.25 15/ 4/1983	98 7/8	5.13 / 4.05	9.52 / 9.59	9.36	102.00	60 / 1980	9.00 / 1981	[illegible] / LX	117	105 205 210 215 220 520 540 935 960 975
20.00 / 10.69	1970 / 99.50	GAZ DE FRANCE 9.00 15/ 3/1985	100 3/4	7.04 / 3.56	8.85 / 8.76	8.93	9.50 / 102.00	30 / 1980	1.33 / [illegible]1971	GG EU / LX	92	105 205 210 215 520 960 975
20.00 / 18.00	1971 / 100.00	[illegible] 9.00 15/ 5/1986	98	8.21 / 4.71	9.35 / 9.55	9.18	101.50	45 / 1979	1.50 / [illegible]1974	[illegible] / LX	94	105 205 210 215 960 975
50.00 / 48.00	1973 / [illegible]	[illegible] 7.50 15/ 2/1988	90 1/8	9.97 / 8.09	9.04 / 9.29	8.32	102.00	60 / 1980	2.00 / [illegible]1974	[illegible]	93	[illegible]
75.00 / 72.50	1976 / 100.50	[illegible] 9.25 15/ 3/1986	100 3/8	8.04 / 6.81	9.18 / 9.18	9.22	9.37 / 101.00	60 / 1981	2.50 / [illegible]1977	[illegible] / LX	93	[illegible]
40.00	1976	[illegible] O'STAR	99 3/4	5.55	8.56	8.52					112	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ISSUED/ ESTIMATED O/S (M/IO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (M/IO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		US DOLLARS—GERMANY (CONTINUED)										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ISSUED/ ESTIMATED O/S (M/IO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (M/IO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		US DOLLARS—ITALY (CONTINUED)										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Austrian Quotes
Quotations and Yields of Austrian Eurobonds

ISSUE	COUPON DATES	REPAYMENT	SINKING FUND (STARTING)	PRICE BID	PRICE ASKED	CURRENT YIELD	CURRENT YIELD TO MATURITY
D-MARK BONDS							
6¾% Brenner Autobahn 1968 (G)	1.2-1.8	1.8.74-83	1.8.73	103½	104	6.51%	5.96%
6% Donaukraftwerke 1959 (G)	1.2-1.8	1.2.65-84	—	103	103½	5.81%	5.45%
6¾% Donaukraftwerke 1973 (G)	1.3.	1.3.73-87	1.12.77	105½	106	6.39%	5.94%
7% Girozentrale Wien 1976	1.11	1.11.81	—	108	108½	6.47%	4.53%
7¼% Girozentrale Wien 1976	1.11	1.11.83	—	108	108½	6.71%	5.56%
8¾% IAKW 1975 (G)	1.5	1.5.80-85	—	111	111½	7.87%	6.74%
6¾% Kelag 1973 (S)	1.5	1.5.79-88	1.2.78	105¾	106¼	6.37%	5.95%
8¾% Oester. Draukraftwerke 1975 (G)	1.3	1.3.81-85	—	112½	113	7.77%	6.47%
7% Oester. Elektrizitaetswirt 1967 (G)	1.2-1.8	1.2.73-87	—	106	106½	6.60%	6.20%
7% Rep. Oesterreich 1968	1.4-1.10	1.4.73-82	1.4.72	105¾	106¼	6.60%	5.44%
6½% Rep. Oesterreich 1969	1.4-1.10	1.4.75-83	1.1.74	104¾	105¼	6.20%	
9% Rep. Oesterreich 1975	1.2	1.2.83	—	110¾	111¼	8.11%	6.36%
8½% Rep. Oesterreich 1975	1.5.	1.5.78-87	1.2.77	109	109½	7.78%	7.11%
7¾% Rep. Oesterreich 1976	2.5	2.5.83-86	1.2.82	110½	111	7.00%	6.08%
6¾% Rep. Oesterreich 1977	1.4	1.4.83-85	2.1.82	106¾	107¼	6.31%	5.54%
6½% Tauernkraftwerke 1968 (G)	1.3-1.9	1.9.74-83	1.9.73	105¼	105¾	6.16%	5.24%
7% Tauernkraftwerke 1968 (G)	1.2-1.8	1.2.74-83	—	105¼	105¾	6.64%	5.70%
9½% Tauernautobahn 1974 (G)	1.7.	1.7.81	—	113	113½	8.39%	5.13%
8½% Voest 1973	1.10	1.10.79-88	1.6.78	108½	109	7.82%	7.30%
8½% Voest 1975	1.6	1.6.81-85	—	109¼	109¾	7.77%	6.84%
6¾% Voest 1977	1.6	1.6.84-89	—	105	105½	6.42%	6.10%
7% Wien 1968	1.6-1.12	1.6.74-83	1.6.73	104½	105	6.68%	5.93%
8¼% Wien 1975	1.8	1.8.79-84	—	108½	109	7.59%	6.58%
U.S.$ BONDS							
6% Rep. Austria 1964	31.1-31.7	31.1.71-84	3.1.70	98¾	98⅞	6.08%	6.38%
6¾% Rep. Austria 1967	15.3-15.9	15.3.72-82	15.3.71	99	99½	6.80%	7.06%
8¾% Rep. Austria 1976	15.8	15.8.78-90	15.8.77	98½	99	8.86%	8.92%
6¼% Aust. Electricity 1966 (G)	1.1-1.7	1.7.70-86	1.7.69	96½	97	6.85%	7.27%
6¾% Aust. Electricity 1967 (G)	1.4-1.10	1.10.71-82	1.10.70	99¼	99⅝	6.79%	7.03%
5¾% Alpine Montan 1965 (G)	15.6	15.6.72-85	15.6.71	93¾	94¼	6.12%	6.81%
8¼% Tauernautobahn 1977 (G)	15.3	15.3.83-87	15.3.82	96¾	97¼	8.49%	8.72%
5¾% Voest 1968 (G)	23.10	23.10.70-78	23.10.69	98¾		5.82%	7.74%
6½% Transalpine Fin. Hldg. 1966	31.10	31.10.70-85	31.10.69	97½	98	6.65%	6.88%
6¾% Transalpine Fin. Hldg. 1966	31.7	31.7.70-85	18.7.69	97½	98	6.91%	7.14%
6¾% Transalpine Fin. Hldg. 1967	31.1	31.1.73-82	13.1.72	98½	99	6.84%	7.12%
6½% Transalpine Fin. Hldg. 1967	30.4.	30.4.74-83	30.4.73	97¾	98¼	6.89%	7.29%
7½% Trans-Austria Gasline 1973	15.1	15.1.77-88	15.1.76	89¼	89¾	8.38%	9.12%
AUSTRIAN SCHILLING BONDS							
9½% Kontrollbank 1974 (G)	14.8	14.8.79	—	101		9.41%	8.75%
DOMESTIC ISSUES							
8% Bundesanleihe 1966	30.4	30.4.70-81	—	97.75		8.10%	8.46%
8% Investitionsanleihe 1967	2.5	2.5.68-82 (103)	R	100.75		7.94%	8.40%
8% Investitionsanleihe 1967/II	—	1.12.69-79 (103)	—	101.75		7.86%	8.51%
8% Investitionsanleihe 1971/III/B	15.11	15.11.75-79 (101)	R	100		8.00%	8.53%
8% Investitionsanleihe 1972/B	15.3	15.3.76-80 (101)	R	99.75		8.03%	8.62%
8% Investitionsanleihe 1972/II/B	1.7	1.7.77-82	R	98.50		8.12%	8.41%
8% Investitionsanleihe 1972/III/B	1.10	1.10.76-81	R	99.40		8.05%	8.18%
8% Investitionsanleihe 1973/B	15.2	15.2.77-81 (101)	R	100		8.00%	8.31%
8% Investitionsanleihe 1973/II/B	3.7	3.7.78-81 (102)	—	100		8.00%	8.52%
8% Investitionsanleihe 1973/III/B	20.11	20.11.74-82 (102.50)	—	100.25		7.98%	8.37%
8% Investitionsanleihe 1974/B	1.4	1.4.76-82 (104.50)	R	102		7.84%	8.37%
8¼% Investitionsanleihe 1974/II/B	22.10	22.10.75-82	—	99.75		8.52%	8.55%
8½% Energieanleihe 1974/S (G)	15.11	15.11.77-80 (100.50)	—	100		8.50%	8.64%
8½% Energieanleihe 1975/B (G)	18.2	18.2.78-81 (101)	—	100.25		8.48%	8.70%
8½% Kelag Anleihe 1974 (S)	29.11	29.11.77-80 (100.50)	—	100.25		8.48%	8.53%
8½% Vorarlberger Kraftwerke 1974 (S)	20.12	20.12.77-80 (100.50)	—	100.25		8.48%	8.54%
8% Wiener Stadtanleihe 1965	1.2-1.8	1.2.70-80	—	99		8.08%	8.76%
8% Wiener Stadtanleihe 1966	1.6	1.6.70-81	—	98.50		8.12%	8.53%
8% Wiener Stadtanleihe 1967	15.6	15.6.68-83 (103)	—	100.50		7.96%	8.45%
8% Wiener Stadtanleihe 1973	15.5	15.5.74-88 (101.50)	—	97.25		8.23%	8.51%
8½% Wiener Stadtanleihe 1975/B	29.4	29.4.76-83	—	101		8.42%	8.60%

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to plan. (...) Repayment at a premium. (G) Government guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

US DOLLARS–JAPAN (CONTINUED)

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
20.00	1977* 100.00	KASIMA OVERSEAS(CURACAO) 7.625 15/5/1982	95 1/4	4.21	9.01	8.01	100.50	30 1980		BG EU LX	396	***
27.50 5.46	1963 97.75	KINGDOM OF JAPAN 5.50 1/5/1980 S	98 3/8	2.17 1.24	6.40 7.00	5.67	100.00	1978	1.02 1964	EP EU NY	411	105 805 941 975
15.00	1976 100.00	KYOWA OVERSEAS(CURACAO) P 9.00 15/9/1981	99 3/4	3.55	9.05	9.02				BG EU EQ	396	913
15.00	1977 99.75	KUMAGAI GUMI P 7.75 15/1/1982	95 1/4	3.85	9.25	8.14				BG EU EQ	359	913 930 960 962 975
30.00	1976 100.00	LONG TERM CREDIT BANK 8.75 1/5/1981	100 3/4	3.17	8.45	8.68	8.43 100.50	30 1979		EP EU LX	412	***
25.00	1973 99.50	LONG TERM CREDIT BANK 9.00 15/6/1980	100 7/8	2.30	8.53	8.92	8.20 100.00	30 1979		EP EU LX	412	***
20.00	1975 99.25	MARUBENI CORP 9.75 1/3/1982	102 1/2	4.01	8.98	9.51	8.58 100.50	30 1980	2.00 EP1976	BG EU LX	326	913 920 962 975
10.00	1976 100.00	MEIDENSHA ELECTRIC MAN 9.25 15/4/1981	101 5/8	3.13	8.62	9.10				BG EU LX	354	913 962
20.00	1974 99.00	MITSUBISHI HEAVY IND 9.00 15/4/1981	100 1/2	3.13	8.79	8.96	8.62 100.50	30 1978		BG EU LX	456	105 913 930 975
12.00	1974 98.50	MITSUBISHI RAYON 9.00 1/4/1989	100 5/8	11.09	8.90	8.94	9.12 101.50	90 1982		BG EU LX	609	941 975
25.00	1976 100.00	MITSUI MINING & SMELTING 9.25 26/2/1981	102 3/8	3.00	8.32	9.04				BG EU LX	463	105 215 520 913 920 930 975
30.00	1976 99.50	MITSUI ENG & SHIP 8.75 1/9/1983	99 3/8	5.51	8.88	8.81	9.55 101.50	45 1980		BG EU LX	140	***
25.00 16.50	1975 99.25	MITSUI O.S.K. LINES 9.50 15/9/1980	101 1/2	2.55 1.41	8.77 8.76	9.36	101.00	1978	1.00 1976	BG EU LX	287	105 913 920 941 960 962 975
25.00 25.00	1977* 100.00	MITSUI PETROCHEMICAL IND 8.00 1/4/1984	96 1/8	6.09 4.65	8.84 9.06	8.32	9.79 101.00	30 1981	6.00 1981	BG EU LX	463	***
20.00	1975 99.00	MITSUI SHIPBUILDING-ENG 9.25 15/7/1980	101 1/8	2.38	8.66	9.15	8.57 101.00	30 1978		BG EU LX	219	105 913 920 930 975
20.00	1977* 99.25	MOL INTERNATIONAL 7.75 1/8/1984	94 5/8	6.42	8.87	8.19	101.00	45C 1981		PG EU LX	140	105 300 913 930 960 962 975
15.00	1976 100.00	NICHIMEN CO F 9.125 1/8/1981	99 3/4	3.42	9.18	9.15				BG EU DQ	860	913
15.00 9.00	1969 98.00	NIPPON ELECTRIC 7.50 15/5/1981 S	98 7/8	3.21 2.04	8.05 8.27	7.73	102.00	30 1978	1.00 1970	BG EU LX	411	105 913 941 975
30.00	1977* 99.00	NIPPON FUDOSAN BANK 7.75 15/6/1982	96	4.30	8.88	8.07	100.50	30 1980		EP EU LX	456	***
25.00	1976 100.00	NIPPON FUDOSAN BANK 8.00 15/11/1981	98 5/8	3.72	8.42	8.11	9.14 100.50	30 1979		EP EU LX	456	***
20.00	1976 100.00	NIPPON FUDOSAN BANK 9.25 1/2/1981	101 5/8	2.93	8.59	9.10	8.41 101.00	60 1979		EP EU LX	219	105 913 960
15.00	1974 97.00	NIPPON FUDOSAN BANK 10.25 15/1/1980	104 5/8	1.85	7.50	9.80			1.50 EP1976	EP EU LX	346	913 920 960 975
15.00	1977* 99.50	NIPPON MINING 7.75 1/6/1982	95 7/8	4.26	8.94	8.08				BG EU LX	517	913 920 930 935 941 960 962 975
15.00	1975 99.25	NIPPON SEIKO 9.25 15/8/1980	101 3/4	2.46	8.39	9.09				BG EU LX	326	913 920 930 941 960 975
20.00 3.16	1963 96.75	NIPPON TEL & TEL 5.75 15/7/1978 S	99 1/8	.38 .38	8.25 8.25	5.88	100.00	30 1978	3.16 1965	GG NY NY	399	105 805 941 975
22.50 6.91	1965 97.25	NIPPON TEL & TEL 5.75 15/4/1980 S	98 1/2	2.13 1.52	6.62 6.92	5.92	100.00	30 1978	.84 1966	GG NY NY	399	10 105 805 941 975
100.00	1977 100.00	NIPPON TEL & TEL 7.625 1/3/1982 S	98 1/4	4.01	8.31	7.91				EP NY NY	399	20 32 33 35 60 90 805 927 931 940 975
150.00	1977* 100.00	NIPPON TEL & TEL 7.75 15/6/1984 S	97 1/2	6.30	8.43	8.11	8.51 100.00	30 1983		GG NY NY	399	20 32 33 35 60 90 805 927 931 940 975
100.00	1976 99.50	NIPPON TEL & TEL 7.875 1/5/1981 S	99 5/8	3.17	8.16	8.06				SG NY NY	399	20 32 33 35 60 90 805 927 931 940 975
50.00	1977 99.75	NIPPON TEL & TEL 8.125 1/3/1987 S	97 3/4	9.01	8.67	8.48	8.74 100.00	30 1985		EP NY NY	399	20 32 33 35 60 90 805 927 931 940 975
30.00	1975 100.00	NIPPON STEEL 9.50 15/9/1980	101 1/2	2.55	8.77	9.36	7.38 100.50	30 1978		BG EU LX	456	***
20.00	1975 99.25	NISSHIN STEEL 9.25 1/8/1980	101 3/4	2.42	8.38	9.09				BG EU LX	298	105 913 920 930 941 960 975
30.00	1976 100.00	NISSHO-IWAI CO 9.25 1/2/1981	101 3/4	2.93	8.54	9.09				BG EU LX	298	105 520 913 920 930 941 960 975
20.00	1976 99.75	NYK INTL LUX 8.75 15/7/1981	101 1/4	3.38	8.28	8.64				BG EU LX	326	105 520 913 920 930 935 941 960 962 975
15.00	1976 100.00	OKI ELECTRIC INDUSTRY 8.25 15/11/1981	99 7/8	3.72	8.27	8.26				BG EU LX	326	520 913 920 930 941 960 975
20.00 20.00	1976 99.75	ORIENT LEASING (CAR)NV 8.25 15/12/1983	97 1/8	5.80 4.30	8.89 9.00	8.49			3.00 1980	PG EU LX	396	35 913 920 927 930 936 940 950 960 975
20.00 20.00	1977* 99.75	ORIENT LEASING (CAR)NV 8.25 1/12/1984	96 1/4	6.76 5.26	9.00 9.18	8.57	10.18 101.00	45 1980	5.00 1981	PG EU LXSI	396	35 205 913 920 927 930 933 940 941 950 962 975
15.00 15.00	1976 100.00	ORIENT LEASING (CAR)NV P 9.50 15/2/1981 S	101 1/4	2.97 1.71	9.21 8.90	9.60			2.50 1978	BG EU CQ	396	913
20.00	1976 100.00	SHOWA SHIPPING 9.00 15/5/1981	101 3/8	3.21	8.47	8.88	8.26 100.00	30 1980		BG EU LX	412	913 920 927 930 935 960 962 975
12.00 2.40	1964 96.00	SUMITOMO CHEMICAL CO WIO 6.75 1/12/1979 S	99 3/8	1.76 1.01	7.25 7.54	6.91	100.50	30 1978	.60 1967	BG EU ASEX	361	105 941 975
25.00	1975 99.00	SUMITOMO CHEMICAL CO 9.25 15/4/1980	104 1/4	2.13	7.02	8.87				BG EU LX	517	105 520 913 930 975
20.00	1977 99.25	SUMITOMO HEAVY IND 7.75 15/1/1984	94 3/4	5.88	8.93	8.18	9.65 101.00	30 1982		BG EU LX	399	***
15.00	1975 99.50	SUMITOMO HEAVY IND 9.50 1/12/1980	101 3/4	2.76	8.75	9.34				BG EU LX	159	105 913 962 975
22.50 4.31	1964 96.50	THE METROPOLIS OF TOKYO 5.75 15/4/1979 S	98 1/2	1.13 .76	7.27 7.98	5.92	100.00	30 1978	1.07 1969	GG EU NY	327	105 520 941 975
20.00 7.20	1963 95.25	THE METROPOLIS OF TOKYO 6.00 15/6/1980 S	98 3/4	2.30 1.53	6.20 6.99	6.12	100.00	30 1978	1.15 1966	GG NY NY	327	941 975
30.00 30.00	1977* 99.25	TORAY INDUSTRIES 7.75 15/10/1984 S	94 7/8	6.63 4.38	8.90 9.41	8.34	9.52 101.00	15 1981	2.78 1980	BG EU LX	359	***
15.00	1975 100.00	TORAY INDUSTRIES P 9.75 1/12/1980	102 1/2	2.76	8.66	9.51				BG EU LX	359	941 965
15.00	1977 100.00	TOTO KANEKO 7.75 1/3/1982	95 7/8	4.01	9.02	8.08				BG EU LX	359	913 920 927 930 935 940 950 962 965 975
30.00	1977* 99.25	TOYO MENKA KAISHA 7.75 1/4/1982	95 7/8	4.09	8.99	8.08				BG EU LX	337	***
20.00	1976 100.00	TOYO MENKA KAISHA 9.25 1/4/1981	101 1/8	3.09	8.81	9.15			2.00 EP1977	BG EU LX	337	105 913 920 930 975
25.00 25.00	1977* 99.25	Y.S. LINE (CAYMAN) 7.75 15/3/1984	94 3/4	6.05 4.54	8.91 9.17	8.18	10.12 101.07	25 1981	2.00 1981	PG EU LX	337	35 913 920 927 930 933 935 941 960 962 975
15.00	1975 99.25	Y.S. LINE (CAYMAN) 9.50 15/12/1983	102 7/8	2.97	8.28	9.23	6.98 101.00	30 1978	.75 EP1976	BG EU LXSI	319	913 930 962

US DOLLARS–KOREA

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
25.00	1976 99.75	KOREA DEVT BANK 9.50 15/12/1981	99 7/8	3.80	9.52	9.51				GG EU LXSI	501	230 940 975
25.00	1977 99.50	KOREA DEVT BANK 9.50 1/3/1982	100	4.01	9.50	9.50				GG EU LX	125	230 930 975

US DOLLARS–LUXEMBOURG

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
10.00 2.50	1967 99.50	AMEED FINANCE 6.50 1/6/1979	98 3/8	1.26 .66	7.85 9.16	6.61	100.00	90C 1978	1.50 1973	EP EU LXSI	46	520 975
20.00 20.00	1972 100.00	S.F.E. LUXEMBOURG 7.50 15/10/1982	98 3/8	4.63 2.63	7.91 8.38	7.62	101.50	65 1978	4.00 EP1978	EP EU LX	505	105 205 520 975
30.00	1976 100.00	S.F.E. LUXEMBOURG 9.00 15/2/1983	101 5/8	4.97	8.58	8.86				EP EU LX	480	105 205 520 930 935 960 975

US DOLLARS–MEXICO

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
50.00	1977* 99.75	BANCO NACIONAL DE OBRAS 9.25 1/11/1982 S	99 1/2	4.68	9.60	9.31				EP NY NY	415	32 33 60 927 931 940 975
20.00 15.05	1972 97.50	C.F.E. – MEXICO 8.00 1/2/1987	92 5/8	8.91 4.98	9.25 9.95	8.64	102.00	180C 1980	1.85 1976	EP EU LX	165	105 125 915 975
25.00	1977* 99.50	FINASA – FIN AZUC 9.00 1/11/1982	97 1/8	4.68	9.77	9.27				EP NM LX	637	927 975
20.00 9.50	1967 96.75	NACIONAL FINANCIERA 7.25 1/9/1982 S	97 1/4	4.51 2.37	8.15 8.74	7.59	102.00	90 1978	.98 1972	GG EU LXSI	333	105 405 515 941 960 975
30.00	1976 100.00	NACIONAL FINANCIERA 10.00 1/7/1981	103	3.34	8.49	9.71				EP EU LX	517	105 915 960 975
20.00 17.00	1972 100.00	PETROLEOS MEXICANOS 8.50 1/9/1987	95	9.51 5.72	9.30 9.66	8.95	10.28 102.00	45C 1982	1.25 DY1974	EP EU LX	315	105 915 932 960 975
75.00	1977* 100.00	PETROLEOS MEXICANOS 9.00 1/7/1982	99 7/8	4.34	9.01	9.01				EP NY LXSE	599	***
20.00 20.00	1975 98.00	PETROLEOS MEXICANOS 10.25 15/4/1982	101 5/8	4.13 3.23	9.74 9.63	10.09	9.49 101.00	30 1979	6.00 1980	EP EU LX	235	105 915 960 975
12.00 1.76	1968 97.25	TELEFONOS DE MEXICO SA 7.75 1/4/1978 S	99 1/8	.09 .09	17.95 17.95	7.97			1.36 1969	EP EU LX	327	105 915 975
50.00	1977* 100.00	TELEFONOS DE MEXICO SA 9.25 10/8/1984	99 1/8	6.45	9.41	9.33	10.37 102.00	30 1980	2.58 EP1977	EP EU LX	230	***
35.00 6.02	1964 98.25	UNITED MEXICAN STATES 6.25 1/11/1979 S	97 3/8	1.68 1.05	8.10 9.11	6.52	100.25	30 1978	1.26 1966	EP NY NY	327	105 915 941 975
25.00 2.75	1964 97.66	UNITED MEXICAN STATES 6.50 1/4/1979 S	97 7/8	1.59 .69	8.75 10.43	6.75	100.25	30 1978	.89 1965	EP NY NY	411	105 915 941 975

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT/ FIRST S/F DATE	DELIVERY/ SECURITY/GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		US DOLLARS—UTD KINGDOM (CONTINUED)										
[illegible]												
		US DOLLARS—UTD KINGDOM (CONTINUED)										
[illegible]												
		US DOLLARS—UNITED STATES										
[illegible]												
		US DOLLARS—UNITED STATES (CONTINUED)										
[illegible]												

The next Quotations and Yields list will be published April 10, 1978

EXPLANATORY NOTES AND ABBREVIATIONS

LISTINGS

AN = Antwerp
AM = Amsterdam
AS = American Stock Exchange
BR = Brussels
BT = Beirut
DB = Dublin
DD = Dusseldorf
FF = Frankfurt
HK = Hong Kong
KL = Kuala Lumpur
LN = London
LX = Luxembourg
ML = Milan
NY = New York
PR = Paris
RM = Rome
SI = Singapore
UQ = Unquoted
VN = Vienna
ZR = Zurich & other Swiss Exchanges

DELIVERY

EU = Europe
EN = Europe/New York
NY = New York
EA = Europe/Asia

TYPE OF GUARANTEE OR SECURITY

1. GUARANTEES

GG = Government Guarantee
SG = State or Local Govt. Guarantee
PG = Parent Guarantee
BG = Bank Guarantee
PW = These borrowers have Public Works Loans Board as lender of last resort

2. OTHER SECURITY

CL = Collateral Cover
FM = First Mortgage
NP = Negative Pledge
PS = Subordinated—Parent Guarantee
SC = Special Clause
SU = Subordinated Unsecured
UL = Unsecured Loan
TA = Throughout Agreement

SPECIAL REFERENCES

1. GENERAL—ATTACHED TO NAME OF BORROWER

D = Domestic Management group
L = Bondholders option to redeem loan prior to maturity
P = Private or semi-private placement
MC = Principal/Interest payable in more than two currencies
W = Withholding taxes (with percentage rate %)
WW = With warrants
XW = Ex warrants

2. £/DM ISSUES.

The figures shown are the fixed £/DM parities which prevail over the lives of the issues.

3. FLOATING RATE ISSUES

The figures given are the minimum coupon rate: % margin above LIBOR.

4. ATTACHED TO MATURITY DESCRIPTION

S = Semi-annual payments

5. ATTACHED TO NEXT S/F AMOUNT

PF = Purchase fund—the amount shown is the annual total (or total to the next coupon date), which may be applied. The year associated with the amount shown relates to the end of the purchase period.
DP = Non-cumulative option to double sinking fund payments.

6. ATTACHED TO CALL NOTICE (DAYS)

C = Callable only on coupon dates
Y = Callable only at annual intervals
Otherwise callable at any time

7. YIELD TO NEXT CALL

<0 = Yield is negative

8. ATTACHED TO YIELD TO NEXT CALL (CONVERTIBLE ISSUES ONLY)

R = Call is subject to a restriction governed by a fixed relationship between the share price and the conversion price.

9. CONVERTIBLE ISSUES

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no figure is shown in the premium/discount column.

The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND			CONVERTIBLE INTO
American Tobacco Int.	5½	1988	American Brands Inc.
Asia Navigation Int.	6¼	1989	East Asia Navigation Co.
Bankers Int. (Lux)	5	1986	Bankers Trust New York
Broadway—Hale Stores	4¾	1987	Carter Hawley Hale
Burmah Oil	5½	1988	Shell Transport & Trading
Chevron Oil O/S	5	1988	Standard Oil of California
Dart Industries	4¾	1987	Minnesota Mining & Manufacturing
Inter-Continental Hotels	7	1986	Pan-Am World Airways
Int. Standard Elec.	5	1988	International Tel & Tel
" " "	5½	1988	" " "
" " "	6¼	1989	" " "
ISE Finance Holdings	4½	1986	" " "
Kinney	6¾	1990	Warner Communications
Leasco World Trade	5	1988	Reliance Group Inc.
Leasco Int.	5	1989	" " "
Levin-Townsend Int. Fin.	5	1988	Rockwood Computer
Norwich OS	4¾	1983	Morton-Norwich Products
Owens-Illinois	4½	1987	Owens Corning Fibreglass
Plywood Champion Int.	5½	1988	Champion Int.

11. YIELD CALCULATIONS

All Yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on $ floating rate bonds is calculated as coupon/price.

12. MARKET MAKER COLUMN

This denotes that more than the maximum number of market makers have provided prices (12 for the straight bonds and 9 for the convertibles).

13. OTHER NOTES

The amounts shown as remaining outstanding are estimated by applying the scheduled sinking fund instalments. These are further adjusted where a non-cumulative option to double sinking fund payments has been exercised.

Yields are calculated in accordance with Rule 803 of Statutes, By-Laws, Rules and Recommendations of the AIBD using compound interest throughout. Negative yields are not shown.
The maturity, average life and first call yields are adjusted to a 360 day annual rate.

Yields to next call is shown on the basis that the borrower gives notice that he wishes to call the bond as soon as possible after the date of publication of this list.

Yields on Unit of Account bonds are computed by adjusting the investment proceeds for the changes in relative parities of the currencies comprising the new and old unit of account formulae.

The following international convertible issues have fixed rates of currency conversion:

COUNTRY	ISSUE/COUPON/MATURITY			EXCHANGE RATE	
FRANCE	Michelin Int. Dev.	6	1985	F.Fr. 5.554	=$1
	Suez et l'Union Paris	7	1985	F.Fr. 5.554	=$1
HONG KONG	Asia Navigation Int.	6¼	1989	$HK 5.07	=$1
ISRAEL	Leumi Int. Inv.	7	1984	£I 10.1026	=$1
JAPAN	Asahi Chemical	6¼	1990	Yen 303.0	=$1
	Asahi Optical	6	1992	Yen 282.0	=$1
	Dai Nippon Printing	6¾	1986	Yen 360.0	=$1
	Daiei Inc.	6	1991	Yen 300.0	=$1
	Daiwa House Ind.	7¼	1991	Yen 301.0	=$1
	Hitachi Ltd.	6¼	1979	Yen 360.0	=$1
	Hitachi Ltd.	6¼	1984	Yen 360.0	=$1
	Hokushin Electric	6¾	1992	Yen 248.0	=$1
	Ito-Yokado	6	1992	Yen 272.0	=$1
	Jusco	6	1992	Yen 277.4	=$1
	Kao Soap	6	1992	Yen 266.0	=$1
	Komatsu Manf.	6¼	1984	Yen 360.0	=$1
	Komatsu Ltd.	7¼	1990	Yen 294.2	=$1
	Kubota	6¾	1991	Yen 303.0	=$1
	Marui	6¼	1991	Yen 299.0	=$1
	Matsushita Elec.	6¾	1990	Yen 303.0	=$1
	Mitsubishi Elec.	7	1985	Yen 360.0	=$1
	Mitsubishi Elec.	7½	1981	Yen 305.5	=$1
	Mitsubishi Gas Chem.	6	1992	Yen 272.0	=$1
	Mitsubishi Hvy. Ind.	6½	1991	Yen 305.55	=$1
	Mitsubishi Corp.	6	1992	Yen 267.0	=$1
	Mitsubishi Corp.	7¼	1990	Yen 294.0	=$1
	Mitsubishi Corp.	6¾	1991	Yen 301.0	=$1
	Mitsui & Co.	7¼	1990	Yen 298.0	=$1
	Mitsui & Co.	8¼	1989	Yen 299.0	=$1
	Mitsui Real Estate	6	1992	Yen 267.8	=$1
	Nitto Elec. Ind.	6	1992	Yen 264.13	=$1
	Pioneer Electric	6¼	1989	Yen 280.0	=$1
	Ricoh	6¼	1991	Yen 295.0	=$1
	Sanyo Electric	6¼	1991	Yen 293.55	=$1
	Sanyo Electric	7¼	1990	Yen 302.17	=$1
	Settsu Paperboard	6¾	1992	Yen 243.0	=$1
	Sumitomo Elec.	6	1992	Yen 267.0	=$1
	Sumitomo Metal	6	1992	Yen 287.5	=$1
	Takeda Chemical	6	1984	Yen 360 0	=$1
	Tokyu Dept. Store	6	1992	Yen 266.0	=$1
	Toshiba	6¼	1992	Yen 254.0	=$1
	Toshiba	6¾	1990	Yen 295.8	=$1
NETHERLANDS	Ennia	7¼	1992	D.Fl. 2.4565	=$1
	All other issues			D.Fl. 3.60	=$1
SINGAPORE	Dev. Bk. of Singapore	6¼	1991	S$ 2.44	=$1
	United Overseas Bank	6¾	1988	S$ 2.32	=$1
S. AFRICA	Rand Selection Corp.	6¼	1986	RD 0.7143	=$1
SWEDEN	Sandvik	6¾	1988	Sw.Kr. 4.7825	=$1
U.K.	Babcock Nederland	7	1992	£0.574	=$1
	Beecham Fin.	6¾	1992	£0.574	=$1
	Burmah Oil	5¼	1988	£0.417	=$1
	Burton B.V.	5¾	1992	F Fr.11.88225	=£1
	Compair (U.K.)	8¼	1987	£0.582	=$1
	ICI Int. Fin.	6¾	1997	£	=$1
	Inchape (Bermuda)	6¾	1992	£0.582	=$1
	Rank Organisation	4½	1993	£0.425	=$1
	Slater Walker	5¼	1987	£0.385	=$1

Union Bank of Switzerland (Lux.) 5% 1981 differs from other convertibles in that the bonds are denominated US$1350 and each bond is convertible into 1 Bearer share of S.Frs.500 nominal value of UBS.

Credit Suisse (Bahamas) 4½% 1991 differs from other convertibles in that the bond is denominated US$1000 and each bond is convertible into 1 Bearer Share of S.Fr.500 nominal value of Credit Suisse.

The following convertible issues have conversion rights which expire prior to maturity:

NAME OF BOND		MATURITY	CONVERSION RIGHTS EXPIRE
Asahi Chemical	6¼	30/9/1990	15/9/1990
Dai Nippon Ptg.	6¾	31/5/1986	30/4/1986
Hitachi	6¼	30/9/1984	31/8/1984
Mitsubishi El.	7	31/3/1985	28/2/1985
Rand Selection	6¼	1/3/1986	31/1/1986
Takeda Chem.	6	31/3/1984	28/2/1984
Toshiba	6¾	30/9/1990	15/9/1990

10. DENOMINATION OF NON-DOLLAR BONDS

Euro-guilders—all denominated	Fl. 10,000
French Francs—all denominated with the exception of	Ffr. 5,000
Aerospatiale	Ffr. 10,000
European Coal & Steel 7% 1980	Ffr. 10,000
European Coal & Steel 7¼% 1991	Ffr. 10,000
Francaise de Petroles—BP	Ffr. 10,000
Philips Lamps 10¼% 1980	Ffr. 50,000
Roussel—Uclaf	Ffr. 10,000
SOPAD	Ffr. 50,000
STERLING-DEUTSCHE MARKS	
Enso Gutzeit 6¾% 1980	£100: £500
ICI 8% 1986	£500
Ireland 7% 1981	£100: £500
Ireland 7% 1988	£500
Met. Estates 6¾% 1987	£500
New Zealand 6¾% 1982	£90: £450
New Zealand 7¼% 1978	£100: £500
Rothmans Int. 6¾% 1992	£500
Sira Kvina 7¼% 1983	£100: £500
Slater Walker 7¾% 1987	£500
Swedish Lamco 5¾% 1980	£100: £500
Turin 6¼% 1984	£100: £500
US Rubber 6% 1990	[illegible]

US DOLLARS-UNITED STATES (CONTINUED)

ISSUED/ ESTIMATED O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (MIO)/ FIRST S/F DATE	DELIVERY/ SECURITY/GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
50.00 44.00	1965 100.00	GENERAL ELECTRIC O/S 4.25 1/12/1985 S	83 1/4	7.76 5.59	7.22 8.26	5.17	 103.00	30 1978	2.30 DP1976	PG BT BRCX	458	105 800 805 870 975
20.00 20.00	1968 98.50	GENERAL MILLS FIN 7.00 1/11/1980 S	93 1/4	2.68 1.68	7.88 8.29	7.25	 101.00	30 1978	6.67 1978	PG BT LX	399	105 805 920 935 941 960 975
20.00 15.50	1971 98.75	GENERAL MILLS FIN 8.00 1/ 3/1986	100 3/8	8.01 4.57	7.98 7.88	7.99	 102.00	30 1979	1.00 DP1973	PG BT LX	399	105 305 805 870 920 935 941 960 975
30.00 24.37	1971 98.50	GENERAL MOTORS O/S FIN 8.75 15/ 8/1986	103 5/8	8.46 6.26	8.13 7.98	8.44	6.21 100.25	30 1979	1.13 DP1974	PG BT LX	456	105 805 870 935 941 950 975
25.00 21.25	1975 99.75	GOULD INT 9.75 15/ 6/1985	103 1/8	5.30 4.38	8.96 8.93	9.45	8.59 100.00	30 1981	.63 DP1976	PG BT LX	488	35 105 305 520 735 935 940 941 950 960 975
15.00 11.75	1971 97.00	GOODRICH INT 8.75 15/12/1986	55	8.80 5.35	18.97 24.78	15.91	 101.00	30 1979	1.00 DP1974	PG BT LX	483	800 915 941 975
15.00 12.90	1971 99.00	GTE INT 8.25 15/11/1986	99 7/8	8.72 5.23	8.26 8.28	8.26	 102.00	60 1979	.90 DP1974	PG BT LX	316	105 870 975
40.00	1968 100.00	GULF & WESTERN INT WW 6.50 1/12/1980	91 1/2	2.76	10.16	7.10	 101.00	30 1978		PG BT LX		800
40.00	1968 100.00	GULF & WESTERN INT XW 6.50 1/12/1980	90 3/4	2.76	10.52	7.16	 101.00	30 1978		PG BT LX		800 975
50.00	1977 100.00	GULF & WESTERN INT 8.25 15/ 2/1984	98 1/4	5.97	8.64	8.40	8.90 100.50	30 1982		PG BT LX	408	105 218 520 805 870 935 975
40.00	1976 100.00	GULF & WESTERN INT 9.25 1/ 6/1982	101 1/2	4.26	8.79	9.11				PG BT LX	408	105 520 870 935 975
20.00	1975 100.00	GULF & WESTERN INT 9.75 15/ 6/1980	103 1/8	2.30	8.32	9.45				PG BT LX	408	105 520 935 975
15.00 12.50	1971 98.00	HAAS O/S CAP 8.75 1/ 6/1986	101 7/8	8.26 5.10	8.41 8.28	8.59	7.29 100.25	30 1979	1.00 DP1974	PG BT LX	456	105 805 870 935 941 960 975
15.00 14.00	1972 97.50	HILTON INT 7.75 1/11/1987	93 1/8	9.68 5.84	8.82 9.32	8.32	 102.00	30 1978	1.00 DP1977	PG BT LX	399	105 520 960 975
15.00 5.70	1966 96.00	HONEYWELL INT FIN 6.00 15/ 2/1981 S	96 7/8	2.97 1.71	6.52 6.82	6.16	 100.25	30 1978	.95 1969	PG BT BZ	300	105 520 805 870 935 941 950 960 975
15.00 15.00	1970 100.00	I.C.C. INT 9.30 1/ 6/1988 S	72	10.26 7.66	15.46 16.39	13.63	 103.50	30 1978	.60 DP1979	PG BT LX	230	800
35.00	1977* 100.00	IC INDUSTRIES FIN CORP 8.75 15/ 6/1987	96 1/4	9.30	9.36	9.09	9.84 100.00	30 1982	1.23 DP1977	PG BT LX	311	105 230 305 927 935 940 960 975
15.00 14.25	1966 100.00	INT HARVESTER O/S 5.00 1/ 4/1986 S	76 5/8	8.09 6.20	9.36 10.43	6.63	 101.00	30 1978	.75 DP1977	PG BT BXLX	438	800 805 975
15.00 8.28	1966 97.50	INT STANDARD ELECTRIC 6.00 1/ 3/1986 S	96 3/8	8.01 4.06	6.70 7.16	6.38	 102.25	30 1978	.48 DP1971	PG BT BXLX	327	105 520 805 941 950 960 975
35.00 19.32	1967 99.00	INT STANDARD ELECTRIC 6.00 15/ 5/1987	95 3/8	9.21 4.54	6.53 6.96	6.23	 102.25	30 1978	2.24 DP1972	PG BT BZBXLX	327	105 520 805 941 950 960 975
25.00 18.25	1971 100.00	INT STANDARD ELECTRIC 8.25 1/ 2/1986	101 3/4	7.93 4.74	7.94 7.80	8.11	 103.00	30 1978	2.25 DP1976	PG BT LX	327	105 520 805 870 941 960 975
30.00 21.00	1970 100.00	INT STANDARD ELECTRIC 9.00 1/ 4/1985	101 3/8	7.09 4.09	8.23 8.58	8.88	9.40 102.00	30 1979	2.25 DP1972	PG BT BXLX	327	105 520 805 870 935 941 960 975
25.00 20.50	1971 100.00	INT STANDARD-ELECTRIC 9.00 1/10/1986	101 1/4	8.59 5.68	8.77 8.70	8.88	8.66 101.00	30 1979	1.50 DP1974	PG BT LX	327	105 520 805 870 935 941 960 975
35.00 35.00	1977* 100.00	I.T.T. OVERSEAS FIN 8.75 1/ 7/1987	95 5/8	9.34 5.27	9.46 9.83	9.15	10.31 101.50	45C 1982	2.45 DP1978	PG BT LX	315	***
15.00 3.00	1968 99.50	INT UTILITIES O/S WW 6.75 30/ 4/1978 S	99 5/8	.17 .17	9.05 9.05	6.89	9.05 100.00	30C 1978	3.00 1974	PG BT BXLX	359	800 805 965
15.00 3.00	1968 99.50	INT UTILITIES O/S XW 6.75 30/ 4/1978 S	99 7/8	.17 .17	7.54 7.54	6.7	8.39 100.00	30 1978	3.00 1974	PG BT BXLX	359	800 965
25.00 16.25	1972 99.50	INT UTILITIES O/S 8.25 15/ 5/1982	99 1/8	4.21 3.13	8.49 8.56	8.32	 104.00	45 1978	1.75 DP1973	PG BT LX	315	105 520 932 935 960 975
30.00 28.00	1976 100.00	INT UTILITIES O/S 9.00 15/12/1983	100 1/8	5.80 5.08	8.96 8.97	8.99	9.17 101.00	45C 1981	2.00 DP1977	PG BT LX	359	***
20.00 17.60	1971 100.00	KIMBERLY-CLARK INT. FIN. 8.50 15/ 4/1986	102 1/8	8.13 4.41	8.13 7.96	8.32	6.68 100.25	30 1979	1.20 DP1976	PG BT LX	456	105 870 935 941 950 960 975
20.00	1976 99.25	MACMILLAN BERLITZ FIN 9.00 15/ 9/1981	100 5/8	3.55	8.76	8.94				PG BT LX	218	105 520 935 941 946 960 975
40.00	1975 99.00	MCDONNELL DOUGLAS O/S 9.75 15/11/1981	104	3.72	8.43	9.38	 100.00	 1980		PG BT LX	456	105 305 520 870 935 940 941 960 975
12.50 12.50	1975 99.50	MARRIOTT O/S 9.75 15/ 6/1982	102 1/4	4.30 3.34	9.07 8.91	9.54			4.00 1980	PG BT LX	408	105 925 975
20.00	1975 100.00	MILES O/S CAP 9.25 1/ 5/1980	101 3/8	2.17	8.30	9.12	8.35 100.50	30 1979		PG BT LX	517	105 520 805 935 975
35.00 29.00	1968 98.50	MOBIL OIL INT FIN 7.00 15/ 8/1986 S	98 3/8	8.46 5.84	7.39 7.48	7.24	 102.50	30C 1978	2.00 1972	PG BT LX	359	105 520 870 935 941 950 960 965 975
20.00 8.80	1970 98.50	MONSANTO INT 8.75 15/ 5/1985	102 1/2	7.21 4.20	8.27 8.01	8.34	2.54 102.00	30 1978	1.40 DP1973	PG BT LX	399	105 870 941 960 975
20.00 8.00	1967 98.50	NABISCO INT FIN 6.50 1/10/1982	99 1/2	4.59 2.72	6.62 6.69	6.53	 100.50	30 1978	1.30 DP1970	PG BT BXLX	445	105 520 805 870 935 941 950 960 975
30.00 30.00	1977* 99.50	NATOMAS INT CORP 8.00 1/10/1984	92 1/8	6.59 5.59	9.65 9.88	8.68	10.30 100.50	45 1982	10.00 1982	PG BT LX	599	***
15.00 11.25	1972 99.50	NORTH AMER ROCKWELL O/S 7.75 1/ 5/1979	99 3/8	1.17 .84	8.29 8.57	7.80	 100.00	30 1978	3.75 1977	PG BT LX	327	105 305 520 735 805 870 935 941 950 960 975
25.00 24.00	1972 99.50	NORTH AMER ROCKWELL O/S 8.25 1/ 5/1987	98	9.17 5.79	8.57 8.70	8.42	 101.00	30 1980	.50 DP1976	PG BT LX	327	***
20.00 15.00	1969 98.00	OCCIDENTAL O/S CAP 7.50 1/ 3/1984	97 1/8	6.01 3.61	8.12 8.47	7.72	 102.50	30 1978	1.00 DP1975	PG BT LX	447	105 935 975
20.00 8.00	1969 96.00	OCCIDENTAL O/S CAP 8.25 1/10/1979	99	1.59 1.34	8.89 9.05	8.33	 100.00	30 1978	2.00 DP1972	PG BT LX	447	105 935 975
50.00	1978* 99.00	OCCIDENTAL INT FIN 8.50 15/ 1/1983	96 3/4	4.88	9.35	8.79				PG BT LX	708	105 115 218 230 425 935 940 955 975
40.00	1977 100.00	OCCIDENTAL OVERSEAS 8.75 1/ 2/1987	97 1/8	8.93	9.23	9.01	9.89 101.00	35 1982	3.00 DP1978	PG BT LX	488	35 105 218 425 520 530 910 935 940 941 975
25.50 13.90	1970 100.00	OCCIDENTAL O/S CAP 9.25 15/ 2/1982	101 5/8	4.01 2.45	8.75 8.51	9.10	8.33 100.00	30 1980	2.22 DP1973	PG BT LX	447	105 935 975

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ISSUED/ ESTIMATED O/S (M/O)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	NEXT S/F AMOUNT (M/O)/ FIRST S/F DATE	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
US DOLLARS-FLOATING RATE (CONTINUED)												
50.00	1976 100.00	DG BANK FIN 6.25:1/4 7.813 15/12/1982 S	100	4.80		7.81	7.95 100.00	30C 1979		PC ED LX	359 ***	
15.00	1977* 100.00	DOW BANKING CORP 6.5:1/4 8.125 2/ 8/1982 S	99 1/4	4.43		8.19	80.00	C 1980		BP ES UQ	400 905 945	
125.00 60.00	1970 100.00	[illegible] 7.5:3/4 8.125 31/ 5/1980 S	99 3/8	2.25 1.88		8.16	9.76 100.00	30C 1978	10.00 1971	GO BF LX	359 405 409 415 420 425 905 914 925 930	
25.00 25.00	1975 100.00	[illegible] (W2A) 8.5:1-3/8 9.063 8/ 8/1982 S	100 3/8	4.44 2.44		9.03	8.34 100.00	30C 1978	5.00 1976	BP BF LX	402 905 914 925	
35.00 29.75	1976 100.00	[illegible] 8.5:1.0 8.73 15/ 8/1982 S	98 1/8	4.46 2.29		8.87	13.42 100.00	30C 1978	1.75 1975	GO BF LX	418 905 914 925 985	
50.00 50.00	1977* 100.00	GAS AREA STAFF 7.5:1-1/4 8.625 31/ 5/1982 S	95 1/4	4.25 2.81		9.06			5.00 1978	GO BF LX	396 230 920 925	
25.00 17.00	1970 100.00	GENERAL CABLE 7.5:1.0 8.125 30/ 9/1980 S	99 7/8	2.59 2.36		8.14	8.59 100.00	30C 1978	2.00 1972	BG BF LX	359 905 914 925 935 940 965	
25.00	1976 100.00	GENOSSEN ZENTRAL 7.5:1/4 8.063 31/ 7/1981 S	100 1/2	3.42		8.08	7.83 100.00	30C 1979		BF BF LX	359 ***	
40.00	1977* 100.00	GENOSSEN ZENTRAL 6.0:1/4 7.75 6/ 4/1983 S	99 1/2	5.18		7.79	8.17 100.00	30C 1980		BF BF LX	359 ***	
30.00	1977* 100.00	HAPOALIM INTL 6.75:1/4 7.375 8/ 9/182 S	98 3/4	4.33		7.47				BC BF	586 905 914	
75.00	1977* 100.00	HYDROCARBONS IN. 7.3:3/4 8.375 22/12/1982 S	97 1/8	4.82		8.42	8.85 100.50	30C 1980		PC BF LX	205 210 215 400 425 905 914 925 930 940	
50.00	1977 100.00	INDUST BK-JAPAN 6.0:1/4 8.00 15/ 2/1982 S	99 3/4	3.97		8.02	4.30 100.00	30 1980		BG BF LX	456 ***	
50.00	1977* 100.00	INDUST BK-JAPAN 6.5:1/4 7.688 1/11/1982 S	99 3/4	4.68		7.71	10.97 100.00	30 1978		PC BF LX	456 ***	
30.00	1977* 100.00	IND & MIN BK BK 6.75:3/8 8.125 14/ 4/1984 S	96 5/8	6.13		8.41	10.16 100.00	30C 1980		BF BF LX	912 210 220 905 925 940 985	
25.00 15.00	1970 100.00	[illegible] 7.5:1.0 8.875 31/ 7/1980 S	100	2.42 2.22		8.88	9.04 100.00	60C 1978	1.00 1971	PC BF LX	998 905 914 925	
120.00	1977* 100.00	INT WESTMINSTER BK 6:1/4 7.938 28/ 4/1984 S	99 7/8	6.14		7.95	8.16 100.00	60C 1981		PC BF LX	218 ***	
[illegible]												

CANADIAN DOLLARS

[illegible]

EUROGUILDERS

[illegible]

Issued/Estimated O/S (mn)	Year of issue/Issue price	Borrower/Coupon/Maturity	Price	Life/Average life	Yield to maturity/Yield to average life	Current yield	Yield to next call/Next call price	Call notice (days)/Next call date	Next S/F amount/First S/F date	Delivery/Security/Guarantee/Listing	Lead manager	Market makers
20.00	99.50	9.75 15/12/1987			10.02		101.50	1981	1979	LX		
10.00	1977* 100.00	FISONS INT FIN 10.25 15/12/1987	101 3/8	9.80	10.01	10.11	10.11 101.50	45 1982		PG EU LX	335	
20.00	1978* 100.00	INA INTL HOLDINGS 10.00 1/3/1988	98 1/2	10.01	10.25	10.15	10.69 101.00	30 1982		PG EU LX	335	
18.00 18.00	1978* 100.25	ROWNTREE MACKINTOSH INT 10.25 15/2/1988	98 1/2	9.97 8.07	10.50 10.54	10.41	10.90 101.50	45 1983	.60 BP1980	PG EU LX	350	
15.00	1978* 100.00	SEARS INT FIN 10.25 15/2/1988	98 5/8	9.97	10.45	10.39	10.86 101.50	45 1983		PG EU LX	335	
25.00	1977* 100.00	TOTAL OIL MARINE 9.125 1/12/1984	98 3/8	6.26	9.45	9.28	9.49 101.50	30 1981	1.30 FF1978	PG EU LX	95	
		SPECIAL DRAWING RIGHTS										
50.00	1975 100.00	ALUSUISSE INT 9.00 15/6/1980	100 3/8	2.30	8.77	8.97	102.00	30 1976		PG EU LX	317 520 800 975	
50.00	1975 100.00	ELECTRICITE DE FRANCE 9.00 17/7/1983	98 7/8	5.38	9.25	9.10	9.99 101.00	75 1980		GG EU LX	230 210 590 800 975	
40.00 40.00	1975 100.00	SWEDISH INVESTMENT BANK 9.00 1/7/1982	98 5/8	4.34 2.84	9.37 9.57	9.13	102.00	30 1979	10.00 1979	BP EU LX	317 520 235 800 975	

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & Yields as at 28th February, 1978

SOCIETE GENERAL De BANQUE
BANQUE GENERALE Du LUXEMBOURG

Fund	Price	First Issue Price	Yield %	Div. Date
Rentinvest	LuxFr 840	LuxFr 1000	8.42	21 Nov. (F69.-)
Capital Rentinvest	LuxFr 1294	LuxFr 1000	(Capitalisation)	

	1977/78 High	1977/78 Low	1975/78 High	1975/78 Low
Rentinvest	LuxFr 917	LuxFr 839	LuxFr 917	LuxFr 780
Capital Rentinvest	LuxFr 1309	LuxFr 1168	LuxFr 1309	LuxFr 925

ISSUED/ ESTIMATED O/S (AMO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	BOND PRICE/ SHARE PRICE	CURRENT BOND YIELD/ CURRENT SHARE YIELD	YIELD TO MATURITY/ P.E.R.	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL NOTICE (DAYS)/ NEXT CALL DATE	PREMIUM/DISCOUNT %/ FIRST S/F DATE	CONVERSION PRICE/ DATE OF CONVERSION START	DELIVERY/ SECURITY GUARANTEE/ LISTING	LEAD MANAGER	MARKET MAKERS
		CONVERTIBLES-FRANCE										
100.00 / 100.00	1972 / 100.00	[illegible] 5.00 15/ 6/1987	66 3/4 / 360 1/2	7.49 / 11.10	10.86	105.00	60 / 1978	194.03 / 1978	FF1500 15/ 9/1972	[illegible]	[illegible]	205 210 215 960 975
54.00 / 37.80	1969 / 100.00	[illegible] 6.00 3/ 1/1985	109 1/2 / 1090	3.48 / 2.99	4.30	40 / 103.00	60 / 1978	5.88 / 1976	FF1216 1/ 4/1970	[illegible]	[illegible]	205 210 215 935 940 960 975
30.00 / 30.00	1970 / 98.50	[illegible] 7.00 15/ 5/1985	90 5/8 / 222 1/2	7.72 / 11.31	8.80	103.00	30 / 1978	30.10	FF 394 30/ 6/1970	[illegible]	[illegible]	205 210 215 935 960 975
		CONVERTIBLES-HONG KONG										
50.00 / 50.00	1976 / 100.00	ASIA NAVIGATION INT. 6.50 1/ 3/1989	59 / 3.85	11.02 / 03.90	14.02 / 4.50	103.50	60 / 1978	34.30	HKD 9.7 2/ 9/1974	LX	[illegible]	935 960 975
		CONVERTIBLES-ISRAEL										
10.00 / 10.00	1977* / 100.00	[illegible] 7.00 1/ 7/1984	97 1/2 / 3.91	7.18	7.50	100.00	30 / 1980	23.18	IL 3.071 1/11/1976 LX		[illegible]	[illegible]
		CONVERTIBLES-JAPAN										
30.00 / 30.00	1975 / 100.00	ASAHI CHEMICAL 6.25 30/ 9/1990	116 3/4 / 134	5.35 / 3.73	4.30	40 / 104.00	30 / 1979	-3.78	YEN 140.2 1/ 4/1976 LX		[illegible]	609
10.00 / 10.00	1977* / 100.00	ASAHI OPTICAL 6.00 31/ 3/1992	102 1/4 / 406	5.87 / 1.48	5.76	5.65 / 104.00	30 / 1980	-5.81	YEN 440 1/ 5/1977 AX		[illegible]	501
15.00 / .32	1971 / 100.00	DAI NIPPON PRINTING 6.75 31/ 5/1986	413 5/8 / 329	1.64 / 1.70		40 / 103.50	30 / 1978	-4.14	YEN 180.5 1/ 5/1971 LX		[illegible]	315 870 920 942 960 964 975
30.00 / 26.78	1976 / 100.00	DAIEI INC 6.00 31/ 8/1991	113 1/8 / 970	5.37 / .77	4.74	40 / 104.00	30 / 1979	8.31	YEN1162.4 1/ 9/1976 LX		[illegible]	463

The following Tombstone announcements were published in the Financial Times during February

BONDS

Tombstone date		Publication date
Jan. 1978	KINGDOM OF NORWAY $125,000,000 8¼% Notes due 1983 Salomon Brothers and others	1/2/78
1/2/78	EUROPEAN INVESTMENT BANK US$100,000,000 8¼% Bonds 1988 US$100,000,000 8½% Bonds 1993 Union Bank of Switzerland (Securities) Limited and others	1/2/78
1/2/78	SHELL INTERNATIONAL FINANCE N.V. US$500,000,000 8¼% Guaranteed Notes 1990 Union Bank of Switzerland (Securities) Limited and others	1/2/78
1/2/78	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT DM500,000,000 5¾% DM Bonds due 1990 Deutsche Bank AG and others	1/2/78
2/2/78	ROWNTREE MACKINTOSH INTERNATIONAL FINANCE B.V. £18,000,000 10¼% £ Foreign currency Bonds 1988 J. Henry Schroder Wagg & Co. Ltd. and others	2/2/78 & 20/2/78
5/1/78	NACIONAL FINANCIERA S.A. US$100,000,000 Floating rates Notes due 1985-1993 Credit Commercial de France and others	2/2/78
2/2/78	OCCIDENTAL INTERNATIONAL FINANCE N.V. US$50,000,000 8¼% Guaranteed Notes due 1983 Dean Witter Reynolds International Inc. and others	2/2/78
Jan. 78	REPUBLIC OF PANAMA KD5,000,000 9% Notes due 1983-1988 Kuwait Foreign Trading Contracting & Investment Co. S.A.K. U.B.A.F. and others	6/2/78
Dec. 1977	EUROPEAN INVESTMENT BANK US$50,000,000 8¼% Notes due 1985 Banque Arabe et Internationale d'Investissement and others	6/2/78
	SEARS INTERNATIONAL FINANCE N.V. £15,000,000 10¼% Sterling Foreign Currency Bonds 1988 Hambros Bank Ltd. and others	9/2/78
10/2/78	TEOLLISUUDEN VOIMA OY INDUSTRINS KRAFT AB DM80,000,000 6% Bonds due 1988 Westdeutsche Landesbank Girozentrale and others	10/2/78
10/2/78	CITICORP OVERSEAS FINANCE CORPORATION N.V. A$15,000,000 10¼% Guaranteed Notes due 1983 First Boston (Europe) Ltd. and others	10/2/78 & 28/2/78
23/1/78	KINGDOM OF DENMARK Y20,000,000,000 6.7% Yen Bonds Series 2 due 1990 Nikko Securities Co. Ltd. and others	10/2/78
31/1/78	DAIICHI CHUO (CAYMAN) LTD. US$20,000,000 8¼% Guaranteed Notes due 1985 Sumitomo Finance International Daiichi Chuo Kisen Kaischa and others	13/2/78
7/2/78	EUROFIMA $40,000,000 8% $ Bonds due 1988 Smith Barney, Harris Upham & Co. and others	13/2/78
25/1/78	KOMMUNLANE-INSTITUTET AKTIEBOLAG 12,000,000 European Units of Account 7¾% 1978-1993 Bonds Skandinaviska Enskilda Banken Kredietbank S.A. Luxembourgeoise and others	13/2/78
15/2/78	ARGENTINE REPUBLIC DM150,000,000 6¼% DM Bearer Bonds 1978/1985 Deutsche Bank AG and others	15/2/78
15/2/78	EUROFIMA DM100,000,000 5¼% DM Bearer Bonds 1978/1988 Deutsche Bank AG and others	15/2/78
3/2/78	THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V. US$60,000,000 Guaranteed floating rate Notes due 1983 First Boston (Europe) Ltd. and others	16/2/78
Jan. 1978	EUROPEAN COAL AND STEEL AND COMMUNITY US$30,0000,000 8¾% Notes due 1985 Kuwait Investment Co. S.A.K. and others	20/2/78
	EUROPEAN INVESTMENT BANK £25,000,000 9¾% Sterling/US$ Bonds due 1988 S. G. Warburg & Co. Ltd. and others	21/2/78
20/2/78	BANQUE NATIONALE D'ALGERIE DM100,000,000 7¼% Bearer Bonds 1978/83 Dresdner Bank AG and others	21/2/78
22/2/78	AKSJESELSKAPET NORCEM DM50,000,000 5¾% DM Bonds 1978/1985 Deutsche Bank AG and others	22/2/78
23/2/78	NEW ZEALAND DM250,000,000 5¾% Bearer Bonds 1978/1986 Commerzbank AG/Credit Lyonnais and others	23/2/78
23/2/78	INA INTERNATIONAL HOLDINGS, LIMITED £20,000,000 10% Sterling Foreign Currency Notes due 1988 Blyth Eastman Dillon & Co. and others	27/2/78
21/2/78	B.A.T. INTERNATIONAL FINANCE LIMITED $50,000,000 Floating rate Guaranteed Notes due 1988 Private Placement Morgan Stanley International Sumitomo Finance International	27/2/78
23/2/78	GENERAL MOTORS ACCEPTANCE CORPORATION $150,000,000 8.20% Notes due 1988 $150,000,000 8.65% Debs. due 2008 Morgan Stanley & Co. Inc. and others	27/2/78

LOANS

Tombstone date		Publication date
8/9/77	ABDUL JALIL AL FAHIM AND SONS US$17,000,000 Secured Floating Rate Loan Abu Dhabi Investment Co. and others	1/2/78
Jan. 1978	SVERIGES SLAKTERIFORBUND FORENING UPA US$10,000,000 Medium Term Loan Scandinavian Bank Ltd., and others	2/2/78
Nov. 1977	K/S FEARNLEY OFFSHORE A/S US$10,000,000 US$21,000,000 Loan facilities Den norske Creditbank Manufacturers Hanover Trust Co. and others	2/2/78
16/12/77	TELECOMUNICACOES DO RIO DE JANEIRO S.A. US$30,000,000 Medium term loan Chase Manhattan Bank Ltd. and others	2/2/78
20/1/78	KOMBINAT GORNICZO-HUTNICZY MIEDZI W LUBINIE US$250,000,000 Multi-currency credit facility Chase Manhattan Bank Ltd. and others	2/2/78
Dec. 1977	PHILIPPINE LONG DISTANCE TELEPHONE COMPANY US$105,000,000 Term loan facility European Asian Bank Banque Europeenne de Credit and others	6/2/78
Oct. 1977	SAUDI ARABIAN AMIANTIT CO. LIMITED Saudi Riyal 50,000,000 5 year floating rate loan Banque de l'Indochine et de Suez and others	6/2/78
Dec. 1977	ADELA INTERNATIONAL FINANCING COMPANY S.A. US$20,000,000 5 year floating rate loan Union de Banques Arabes et Francaises and others	6/2/78
Feb. 1978	SUOMEN PANKKI-FINLANDS BANK $200,000,000 Medium Term credit facility Orion Bank Ltd., and others	7/2/78
	INSTITUTO BANCARIO SAN PAOLO DI TORINO US$10,000,000 Medium term transaction Gulf International Bank Abu Dhabi Investment Company	7/2/78
Jan. 1978	COMPANIA TELEFONICA NACIONAL DE ESPANA US$50,000,000 Medium term loan Compagnie Financiere de la Deutsche Bank AG and others	7/2/78
	JUGOBANKA US$40,000,000 Medium term loan Crocker National Bank and others	7/2/78
Dec. 1977	CENTRAIS ELECTRICAS BRASILEIRAS S.A.—ELETROBRAS $54,000,000 Term financing Bank America International Group Dresdner Bank Ag and others	7/2/78
Nov. 1977	CIMENTOS DE PORTUGAL E.P. US$12,000,000 Medium term loan Amex Bank Ltd., and others	9/2/78
Dec. 1977	REDEC PLAZA AND COMMERCIAL CENTER RIYADH US$14,000,000 Medium term loan Al Saudi Banque and others	13/2/78
Dec. 1977	COMMONWEALTH OF THE BAHAMAS US$10,000,000 Medium term loan Cisalpine Overseas Bank Ltd. and others	13/2/78
Feb. 1978	INSTITUTO NACIONAL DE INDUSTRIA—I.N.I. US$75,000,000 8 year loan Chemical Bank International Ltd. and others	13/2/78
Jan. 1978	MATTHEY FINANCE LIMITED US$85,000,000 Medium term loan S. G. Warburg & Co. Ltd. Morgan Guaranty Trust Co. of New York and others	17/2/78
Feb. 1978	ROMANIAN BANK FOR FOREIGN TRADE US$53,000,000 Medium term loan First Chicago Limited and others	20/2/78
Feb. 1978	MASS TRANSIT RAILWAY CORPORATION HONG KONG US$400,000,000 10 year loan facility Manufacturers Hanover Ltd. and others	21/2/78
Feb. 1978	FUERZAS ELECTRICAS DEL NOROESTE, S.A. US$30,000,000 Term loan Chase Manhattan Ltd. European American Bank & Trust Company and others	21/2/78
Feb. 1978	KENT COUNTY COUNCIL £15,000,000 Medium term loan Kleinwort, Benson Limited and others	21/2/78
10/2/78	NATIONAL BANK OF HUNGARY US$100,000,000 Medium term loan Abu Dhabi Investment Co. and others	22/2/78
Feb. 1978	HERON CORPORATION LTD. £17,000,000 8 year loan facility Barclays Merchant Bank Limited and others	22/2/78
Dec. 1977	LEEDS CITY COUNCIL £7,500,000 Medium term loan Hill Samuel & Co. Ltd. and others	22/2/78
16/1/78	THE FEDERAL REPUBLIC OF NIGERIA $1,000,000,000 7 year Multicurrency credit facility Financial Adviser First Boston (Europe) Ltd.	23/2/78
Dec. 1977	THE GOVERNMENT HOUSING BANK OF THAILAND Y8,000,000,000 Medium term loan Mitsui Bank, Limited Bank of Tokyo, Limited and others	23/2/78
Dec. 1977	THE CITY OF BELGRADE US$16,400,000 Medium term loan due 1984 Banque de la Societe Financiere Europeenne and others	23/2/78
Jan. 1978	AGUA Y ENERGIA ELECTRICA US$45,000,000 Medium term loan Banque Francaise et Italienne pour l'Amerique de Sud and others	27/2/78

OTHERS

Tombstone date		Publication date
	GEERS GROSS LIMITED has acquired RICHARD K. MANOFF, INC. £700,000 5 year loan $2,900,000 10 year Dual Currency Washable Loan Geers Gross financially advised by James Finlay Corp. Limited	1/2/78
2/2/78	NESTLÉ S.A. has acquired more than 97% of Alcon Laboratories, Inc. Financial advisor to Nestlé Lehman Brothers Kuhn Loeb	3/2/78
2/2/78	INTERPACE CORPORATION has acquired Allied Thermal Corporation Financially advised by Wm. Sword & Co. Incorporated.	6/2/78
31/1/78	ICI NORTH AMERICA INC. $175,000,000 8⅞% Guaranteed Sinking Fund Debentures due 2003 Smith Barney, Harris Upham & Co. Goldman Sachs and others	6/2/78
1/2/78	AGA AB has acquired 98% of shares and stock of BURDOX, INC. Financially advised by Lehman Brothers Kuhn Loeb, and Joseph, Miller & Russell, Inc.	7/2/78
7/2/78	BRASILVEST S.A. Placing of 529 Depositary Shares Credit Suisse White Weld Ltd.	7/2/78
Jan. 1978	THE REPUBLIC OF VENEZUELA US$178,000,000 Private placement Promissory Notes 1980-1985 Bank of Credit and Commerce International S.A. and others	8/2/78
Jan. 1978	Manufacturers Hanover Leasing Corporation Westfield Shipping Co. Ltd. $25,000,000 Financing Arranged by W.R.B. Colegrave Ltd.	9/2/78
	SPAREKASSEN SYDJYLLAND DM50,000,000 Credit Line Norddeutsche Landesbank Internationale S.A. and others	10/2/78
	SCOTCROS LIMITED has acquired 80% capital of The Remy Group of Companies in France. Financial advisers Compagnie Europeenne Pour Le Developpement Industriel et Financier S.A.	13/2/78
Nov. 1977	THE SUMITOMO BANK LIMITED US$15,000,000 Negotiable floating rate US$ Certificates of Deposit due 1980 DBS-Daiwa Securities Intl. Ltd. Sumitomo & East Asia Limited	14/2/78
7/2/78	A wholly owned subsidiary of Spillers Limited has merged into MODERN MAID FOOD PRODUCTS, INC. Spillers assisted by Lehman Brothers Kuhn Loeb.	14/2/78
10/2/78	INDUSTRIAS PENOLES, S.A. de C.V. $45,000,000 Sinking Fund Debentures due 1993 The First Boston Corporation	14/2/78
1/2/78	AGA AB Has acquired 98% of stock of Burdox, Inc. AGA advised by White, Weld & Co. Inc.	15/2/78
	Spillers Limited were assisted with their subsidiary's merger into MODERN MAID FOOD PRODUCTS, INC. by Irving Trust Company	21/2/78
	ASUAG has acquired Centre Engineering, Inc. Asuag advised by Irving Trust Company	21/2/78

WestLB Euro-Deutschmarkbond Quotations

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D—mandatory drawing by lot at par S—sinking fund
7¾% Siemens Europe 66/81	104.25	6.71	2.14	4.84	1.11.70—81S
7¾% Singapore 72/82	103.25	6.78	2.28	5.53	1. 7.78—82S
6½% Singapore 77/83	103.00	6.31	5.17	5.81	1. 5.83
8¾% Singapore Airl. 76/83 (G)	105.80	8.27	2.85	6.45	1. 2.79—83D
Sura Kvina	104.75	8.11	3.57	7.09	1. 6.76—85D
6½% S.N.F.C. 68/83 (G)	104.75	6.21	3.02	4.76	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	107.00	7.01	5.33	5.93	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92P (G)	99.75	6.27	14.79	6.27	16.12.83—92D
9% Soc. Mar. Fin. 75/83P	107.50	8.37	3.36	6.43	1. 5.79—83D
6¾% South-Africa 69/84	98.05	6.88	6.08	7.28	1. 4.73—84S
8½% South-Africa 70/85	103.50	8.21	3.97	7.60	1.11.76—85S
7¾% South-Africa 71/86	100.25	7.73	4.61	7.83	1.11.77—86S
7% South-Africa 72/87	96.15	7.28	9.67	7.57	1.11.78—87S
7½% South-Africa Railway 73/88 (G)	97.75	7.67	10.25	7.82	1. 6.79—88S
9¼% South-Africa Railway 75/80P (G)	101.50	9.11	1.22	7.86	1. 6.78—80D
9¼% South-Africa Railway 75/80 (G)	108.10	8.56	2.33	5.43	1. 7.80
8¼% South-Africa Railway 77/80P (G)	101.00	8.17	2.42	7.75	1. 8.79—80D
7% South Scot. El. 73/88 (G)	104.75	6.68	5.18	5.91	1. 2.79—88S
6¾% Spain 77/84	102.25	6.60	6.42	6.30	1. 8.84
6½% Stand. Chart. Bank 78/88	102.75	6.33	9.83	6.12	1. 1.88
7% Statsfoeretag 77/85	106.00	6.60	5.47	5.69	1. 3.82—85D
10% Steirmark 74/80P	109.50	9.13	2.58	5.90	1.10.80
8¾% Stockholm City 75/83	107.80	8.12	3.94	6.44	15. 4.76—83D
8¾% Stockholm County 75/87	108.75	8.05	4.87	6.59	1. 4.79—87D
7¼% Studeb Worth 69/79	101.85	7.12	1.42	5.95	1. 8.79
8½% Sumitomo Metal 75/82	107.65	7.90	4.33	6.41	1. 7.82
7½% Sun Oil Int. Fin. 73/88	106.25	7.06	5.67	6.15	1. 8.79—88S
7¼% Svenska Cell 73/88	103.00	7.04	5.16	6.54	1. 2.79—88S
9% Svenska Taednst. 75/85	112.00	8.04	4.42	5.84	1. 3.80—85S
6¾% Sveriges Inv. Bk. 72/87	104.65	6.45	4.82	5.62	1. 3.78—87S
7% Sveriges Inv. Bank 73/88	105.00	6.67	5.27	5.87	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	104.40	8.14	3.71	7.09	1. 6.80—83S
6½% Sweden 77/84	106.00	6.13	6.17	5.33	1. 5.84
6% Sweden 77/89	102.20	5.87	11.75	5.73	1.12.83—89S
9½% Taisei Corp. 75/80P	106.50	8.92	2.04	6.02	16. 3.80
10% Tauernautobahn 74/79P (G)	107.00	9.35	1.58	5.24	1.10.79
9½% Tauernautobahn 75/82 (G)	113.25	8.39	3.33	5.06	1. 7.81
9% Tauernautobahn 75/82P (G)	110.00	8.18	4.00	6.11	1. 3.82
9% Tauernautobahn 75/83P (G)	110.00	8.18	5.00	6.59	1. 3.83
7% Tauernkraftwerke 68/83 (G)	105.50	6.64	2.87	4.98	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	105.00	6.19	2.93	4.71	1. 9.74—83S
7¼% Teledyne Int'l. 73/88	102.30	7.09	0.08	—	clld.p.l. 4.78
8% Tenpfinco 73/93	107.85	7.42	9.77	6.86	1.11.82—93S
9½% Tenpfinco 75/82P	108.50	8.76	4.00	6.99	1. 3.82
8½% Thyssen Car. Fin. 75/82P	109.00	7.80	4.08	5.95	1. 4.82
8¼% Thyssen Car. Fin. 75/82P	108.75	7.59	4.33	5.89	1. 7.82
6½% Thyssen Inv. 66/81	104.35	6.23	1.99	4.17	1. 3.72—81D
7¼% Tokyo El. Power 69/84	104.70	6.92	3.64	5.88	1.12.75—84D
9½% Toray Ind. 75/80P	106.50	8.92	1.94	5.85	10. 2.80
6½% Traf. House Fin. 72/87	100.10	6.49	4.83	6.46	1.10.78—87S
6¾% Trondheim 68/83	103.50	6.52	3.17	5.60	1.12.72—83S
8½% Trondheim 70/85	102.00	8.33	0.25	—	clld.p.l. 6.78S
7½% TRW Int. Fin. 69/84	102.35	7.33	3.45	6.84	1.10.75—84S
6% TVO Power 78/88 (G)	100.00	6.00	7.86	6.00	1. 2.84—88S
9¾% Unilever 75/81P	112.00	8.71	3.75	6.06	1.12.81
8½% Unilever 75/87	112.35	7.57	6.53	6.14	1. 5.81—87S
6¾% Unit. Arab Emirts. 77/82P	101.25	6.67	4.16	6.39	30. 4.82
7% Venezuela 68/83	106.25	6.59	3.01	4.80	1.10.74—83S
7% Vienna 68/83	104.50	6.70	2.68	5.24	1. 6.74—83S
8¼% Vienna 75/84	108.65	7.59	3.84	5.66	1. 8.79—84D
5¾% Vienna 77/84P	101.80	5.65	6.79	5.42	15.12.84
8½% Voest-Alpine 73/88	108.90	7.81	6.27	6.70	1.10.79—84D
8½% Voest-Alpine 75/85	109.35	7.77	5.19	6.32	1. 6.81—85D
6¾% Voest-Alpine 77/89	105.10	6.42	8.67	5.97	1. 6.84—89D
6½% Wells-Fargo ex. w. 73/88	104.00	6.25	5.94	5.68	1.11.79—88S
5½% Worldbank 65/85	103.00	5.34	3.87	4.70	1. 4.71—85D
6½% Worldbank 68/80	104.95	6.19	2.42	4.29	1. 8.80
6½% Worldbank 69/84	103.00	6.31	3.26	5.46	1. 6.75—84D
6½% Worldbank 68/84P	104.10	6.24	3.15	5.14	2. 1.77—84D
6½% Worldbank 69/84P	103.00	6.31	3.26	5.46	2. 1.77—84D
6% Worldbank 69/84P	101.25	5.93	2.98	5.53	1. 4.77—84D
8½% Worldbank 70/80	109.10	7.79	2.42	4.53	1. 8.80
8% Worldbank 70/86	108.50	7.37	4.19	5.66	1. 1.77—86D
7½% Worldbank 71//86 I	106.60	7.04	4.07	5.63	1. 6.77—86D
7½% Worldbank 71/86 II	106.90	7.02	4.56	5.73	1.12.77—86D
6½% Worldbank 72/82	106.25	6.12	4.33	4.86	1. 7.82
6¾% Worldbank 72/87	104.50	6.46	4.28	5.54	1. 3.78—87D
6¾% Worldbank 73/83	107.85	6.26	4.92	4.91	1. 2.83
6¼% Worldbank 73/88	103.65	6.15	5.44	5.57	1. 5.79—88D
8¼% Worldbank 75/82P	109.50	7.53	4.25	5.66	1. 6.82
8% Worldbank 75/82	111.50	7.17	4.75	5.20	1.12.82
8¼% Worldbank 75/83	113.50	7.27	5.33	5.27	1. 7.83
8% Worldbank 76/82P	109.50	7.31	4.42	5.50	1. 8.82
7¾% Worldbank 76/82P	108.00	7.18	4.58	5.70	1.10.82
7½% Worldbank 76/83	109.75	6.83	5.17	5.29	1. 5.83
7¾% Worldbank 76/83	110.70	7.00	5.58	5.46	1.10.83
6¾% Worldbank 76/83P	104.00	6.49	5.75	5.90	1.12.83
8% Worldbank 76/84	112.85	7.09	5.92	5.40	1. 2.84
5½% Worldbank 77/82P	103.00	5.34	4.54	4.74	15. 9.82
7% Worldbank 77/85P	107.25	6.53	7.00	5.71	1. 3.85
6½% Worldbank 77/85P	103.50	6.28	7.17	5.88	1. 5.85
6% Worldbank 77/85	105.15	5.71	7.54	5.15	15. 9.85
7% Worldbank 77/87	108.40	6.46	8.83	5.76	1. 1.87
6½% Worldbank 77/87	105.00	6.19	9.17	5.78	1. 5.87
5¾% Worldbank 78/90	100.40	5.73	10.38	5.70	1. 2.87—90D
6¾% Yokohama 68/83 (G)	105.00	6.43	2.93	4.96	1. 9.72—83S
7% Yokohama 69/84 (G)	106.75	6.56	3.48	4.93	30. 9.73—84S
8% Yokohama 71/86 (G)	107.80	7.42	4.42	5.93	1. 8.77—86S
8¾% Yosida Kogyo 75/80P	106.50	8.22	2.33	5.67	1. 7.80
8% Yugosl. Inv. Bank 77/85P	102.65	7.79	4.17	7.24	15.12.81—85D

* "Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:
—to final maturity in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case the bond issue provides for mandatory drawing by lot at par only
P Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)
G Government Guaranty

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28th FEBRUARY 1978

WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D – mandatory drawing by lot at par S – sinking fund
8% ADELA 76/83	107.30	7.46	5.08	6.27	1. 4.83
7½% ADELA 77/82P	103.25	7.02	4.29	6.35	16. 6.82
7% ADELA 77/82P	102.00	6.86	4.42	6.45	1. 8.82
6% AEG 66/81	104.85	5.72	1.91	3.33	1. 2.72—81D
6½% Airport Paris 69/84P (G)	102.00	6.37	3.42	5.84	1. 3.75—84D
9% AKZO 75/82P	106.75	8.43	3.92	6.96	1. 2.82
7¾% AKZO 76/83P	105.00	7.38	5.25	6.58	1. 6.83
8¼% Alusuisse Int'l. 75/83	110.75	7.45	4.40	5.42	1. 6.83
6¾% AMEX Int'l. 77/84P	104.50	6.46	6.08	5.85	1. 8.81—83D
10% A.P.E.L. 74/81 (G)	109.00	9.17	2.22	5.55	1. 4.84
7¾% ARBED Finance 76/83P	103.50	7.49	5.67	6.97	1.12.77—81D
6¾% ARBED Finance 77/87	103.50	6.52	9.25	6.24	1.11.83
8¾% Ardal-Sunndal 75/81P	106.00	8.25	3.33	6.66	1. 6.83—87S
6¾% Ardal-Sunndal 77/89P	103.00	6.55	7.67	6.24	1. 7.81
7% Argentine 67/79	101.50	6.90	1.24	5.69	1. 7.82—89D
7% Argentine 68/78	104.50	6.70	0.58	5.95	1.12.70—79S
8% Argentine 69/79	103.65	7.72	1.24	4.99	1.10.71—78S
7½% Argentine 77/84	104.00	7.21	6.58	6.72	1.12.72—79S
6½% Argentine 78/85	100.00	6.50	7.00	6.50	1.10.84
7% Asian Dev. Bk. 69/84	104.50	6.70	3.39	5.60	1. 3.85
8½% Asian Dev. Bk. 75/80P	106.50	7.98	2.71	5.82	1. 9.75—84S
8% Asian Dev. Bk. 76/82	108.50	7.37	4.00	5.57	16.11.80
7¾% Asian Dev. Bk. 76/83P	107.00	7.24	5.08	6.10	1. 3.82
7% Asian Dev. Bk. 77/85	107.60	6.51	7.08	5.67	1. 4.83
9½% ASKO 75/80P	106.50	8.92	2.08	6.07	1. 4.85
7½% Aumar 73/88 (G)	104.15	7.20	5.15	6.64	1. 4.80
9% Aumar 76/84 (G)	107.20	8.40	3.33	6.50	1. 2.79—88D
7¾% Aumar 77/84 (G)	104.00	7.45	6.33	6.94	15. 8.77—84S
6½% Australia 67/82	105.00	6.19	2.62	4.43	1. 7.84
6¾% Australia 68/83	106.50	6.34	2.85	4.35	1.11.73—82S
6½% Australia 69/84	105.50	6.16	3.35	4.76	1. 8.74—83S
7¼% Australia 69/84	107.80	6.73	3.57	4.90	1. 2.75—84S
7% Australia 72/87	106.90	6.55	4.94	5.37	1.11.75—84S
10% Australia 74/80	113.25	8.83	2.58	4.44	1. 2.78—87S
9% Australia 75/82	114.75	7.84	3.92	4.78	1.10.80
8¼% Australia 75/82 IP	108.00	7.64	4.08	5.98	1. 2.82
8¼% Australia 75/82 IIP	108.00	7.64	4.17	6.01	1. 4.82
7¼% Australia 76/83	111.50	6.50	5.00	4.62	1. 5.82
5¼% Australia 77/82P	103.50	5.07	4.58	4.38	1. 3.83
5¾% Australia 77/89	104.00	5.53	11.67	5.27	1.10.82
6¾% Aust. Ind. Dev. Corp. 72/87	104.50	6.46	4.94	5.67	1.11.85—89S
8% Austr. Ship. Com. 76/83P (G)	108.00	7.41	5.50	6.22	1.11.78—87D
7% Rep. of Austria 68/82	106.00	6.60	2.04	3.95	1. 9.83
6½% Rep. of Austria 69/83	104.90	6.20	3.04	4.80	1. 4.73—82S
9½% Rep. of Austria 75/79P	106.00	8.96	1.33	4.71	1. 4.75—83S
9¾% Rep. of Austria 74/80P	109.00	8.94	2.67	5.97	1. 7.79
9¾% Rep. of Austria 74/81P	109.00	8.94	3.75	6.92	1.11.80
9½% Rep. of Austria 75/80P	108.00	8.80	1.92	5.01	1.12.81
8¼% Rep. of Austria 75/81P	107.00	7.71	3.25	5.81	1. 2.80
8¾% Rep. of Austria 75/82P	107.00	8.18	2.55	5.71	1. 6.81
9% Rep. of Austria 75/83	111.00	8.11	4.92	6.32	1. 4.79—82D
8¾% Rep. of Austria 75/83P	107.25	8.16	3.02	6.05	1. 2.83
8½% Rep. of Austria 75/87	108.25	7.85	5.15	6.55	1. 4.79—83D
7¾% Rep. of Austria 76/86	110.50	7.01	6.63	5.79	1. 5.78—87S
6¾% Rep. of Austria 77/85	107.10	6.30	6.20	5.37	2. 5.83—86S
7% Rep. of Austria 77/87P	106.50	6.57	6.78	5.81	1. 4.83—85S
6¾% Rep. of Austria 77/87P	106.50	6.34	6.86	5.58	1. 1.83—87D
6% Rep. of Austria 77/87P	103.00	5.83	7.96	5.65	1. 2.83—87D
7% Autopistas Catalun 78/85P	100.75	6.95	6.87	6.85	1. 9.84—87D
7¼% Autopistas 69/84 (G)	102.90	7.05	3.21	6.33	16. 1.85
8% Autopistas 71/86 (G)	105.50	7.58	4.37	6.64	1. 7.73—84S
6¾% Autopistas 72/87 (G)	100.75	6.70	4.82	6.55	1.10.77—86D
8% Banco N. Obras 71/86 (G)	104.25	7.67	4.44	6.99	1.10.78—87D
9% Banco N. Obras 76/81 (G)	108.00	8.33	3.50	6.36	1.11.77—86S
7% Banco N. Obras 77/84 (G)	101.50	6.90	6.58	6.70	1. 9.81
7½% Banque Ext. Algerie 77/83	100.00	7.50	5.62	7.49	1.10.84
7¼% Banque Nat. Algerie 78/83	99.25	7.30	5.00	7.44	15.10.81—83D
6% BASF 65/80	104.00	5.77	1.57	3.33	1. 3.83
7½% BEC Finance 76/83P	104.00	7.21	5.67	6.62	1.10.71—80D
8% Beecham Fin. 76/83	110.10	7.27	5.67	5.84	1.11.83
10% Bergen 74/79	109.25	9.15	1.75	4.37	1.11.83
8¾% Bergen 75/85	109.50	7.99	5.10	6.49	1.12.79
7¼% Bergen 77/89	108.00	6.71	6.73	5.78	1. 5.81—85D
8¼% BFCE 75/83 (G)	109.70	7.52	4.32	5.64	1. 2.81—89D
8¼% BFCE 76/84 (G)	109.75	7.52	5.31	6.04	1. 7.81—83S
7% BFCE 77/87 (G)	105.25	6.65	6.86	6.04	1. 7.82—84S
5¾% BFCE 78/88 (G)	100.75	5.71	8.85	5.64	1. 2.83—87S
8½% BNDE 77/87	106.55	7.98	6.48	7.20	15. 1.86—88S
6¾% BNDE 78/86	99.40	6.79	8.00	6.85	1. 4.83(82-87)
9% Borregaard 75/81P	107.50	8.37	3.17	6.30	1. 3.86
6½% Borregaard 77/84P	102.00	6.37	6.58	6.11	1. 5.81
8½% Brascan Int'l. 73/88	106.40	7.99	6.25	7.18	1.10.84
6¾% Brazil 72/87	100.70	6.70	4.82	6.56	1.10.79—88S
8¾% Brazil 76/86	109.50	7.99	5.61	6.65	1.10.76—87S
7¾% Brazil 77/84	105.00	7.38	6.17	6.73	1.10.82(80-86)
6¾% Brazil 78/85	100.50	6.72	6.92	6.65	1. 5.84
6¾% Brenner 68/83 (G)	103.25	6.54	2.84	5.57	1. 2.85
6¾% British Gas 69/79P (G)	101.00	6.68	1.08	5.86	1. 8.74—83S
6¾% British Gas 69/84 (G)	102.90	6.56	3.50	5.90	clld.p.1. 4.78
5½% British Petrol 65/80	101.75	5.41	1.74	4.42	clld.p.1. 4.78
5¾% Bruxelles-Lambert 77/84P	102.00	5.64	6.79	5.39	1. 6.71—80D
8½% Burmah Oil 70/85	105.00	8.10	3.99	7.16	15.12.84
6% Carlsberg-Tuborg 77/87P	102.00	5.88	9.75	5.72	1.11.76—85D
8½% C.C.C.E. 75/85 (G)	109.50	7.76	5.02	6.23	1.12.85—87D
8% C.C.C.E. 76/86 (G)	110.30	7.21	6.79	6.56	1. 4.81—85D
7% C.C.C.E. 77/89 (G)	104.95	6.67	7.26	6.13	1. 7.83—86D
5½% C E C A 64/79	102.10	5.39	1.25	3.79	1. 4.81—89D
5½% C E C A 65/83	102.20	5.38	3.04	4.70	1. 6.68—79D
7½% C E C A 71/86	107.75	6.96	4.53	5.51	1. 4.71—83D
6½% C E C A 72/87	103.00	6.31	4.60	5.73	1. 5.77—86D
7% C E C A 72/88	105.25	6.65	5.11	5.77	1. 7.78—87D
6½% C E C A 73/88	104.00	6.25	5.36	5.61	2. 1.79—88D
7¾% C E C A 73/88	132.00	5.87	6.08	2.09	1. 4.79—88D
10% C E C A 74/79 IP	108.00	9.26	1.42	4.04	1.11.79—88D
10% C E C A 74/79 IIP	108.00	9.26	1.50	4.34	1. 8.79
10% C E C A 74/81P	108.50	9.22	3.50	7.14	1. 9.79
9¾% C E C A 74/81	116.75	8.35	3.75	4.76	1. 9.81
8% C E C A 75/80P	108.00	7.41	2.75	4.81	1.12.81
8½% C E C A 75/82P	109.00	7.80	4.00	5.91	1.12.80
8% C E C A 75/82	112.15	7.13	4.79	5.07	1. 3.82
8½% C E C A 75/85	108.00	7.87	3.43	5.86	15.12.82
8% C E C A 76/81P	108.25	7.39	3.79	5.52	1. 4.78—85D
7¾% C E C A 76/83	111.00	6.98	5.58	5.40	15.12.81
7¾% C E C A 76/86	111.00	6.98	6.53	5.68	1.10.83
6½% CERGA 73/81P	102.00	6.37	3.08	5.77	1.10.82—86D
7% CESP 77/87 (G)	101.00	6.93	7.07	6.81	1. 4.81
6½% Charter Cons. 68/83	101.90	6.38	3.47	5.97	1.11.83(82-87)
7% Chrysler 69/84	103.50	6.76	3.22	5.87	1.10.72—83S
6¾% CIBA-GEIGY ex. w. 75/85P	108.25	6.24	7.58	5.39	1. 7.75—84S
6½% C.N. Autoroutes 69/84 (G)	104.80	6.20	3.43	4.94	1.10.85
9½% C.N. Autoroutes 75/82 (G)	110.50	8.60	3.87	6.35	1. 3.75—84D
6½% C.N. Energie 69/84 (G)	103.50	6.28	3.34	5.32	16. 1.82
6½% C.N. Telecom 68/83 (G)	104.75	6.21	3.10	4.80	1. 2.75—84D
8½% C.N. Telecom 70/85 (G)	107.75	7.89	3.92	6.34	1.11.74—83D
8¾% C.N. Telecom 75/82 (G)	108.40	8.07	4.00	6.31	1.10.76—85S
9¼% C.N. Telecom 75/83P (G)	107.75	8.58	4.96	7.33	1. 3.82

WestLB Euro-Deutschmarkbond Yield Index

February 28, 1978: 5.95% **(January 31, 1978: 6.18%)**

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
9% C.N. Telecom 75/83P (G)	108.25	8.31	4.96	6.97	16. 2.83
7¼% C.N. Telecom 76/83 (G)	107.75	6.73	5.12	5.47	16. 4.83
7¾% Comalco 71/86	106.25	7.29	4.25	6.15	1. 6.77—86S
9¼% Comalco 75/82P	106.00	8.73	4.25	7.53	1. 6.82
7% Com. Fed. Electr. 77/82P	100.25	6.98	4.50	6.92	1. 9.82
8% Com. Fed. Electr. 77/84	104.75	7.64	6.25	7.02	1. 6.84
7¼% Com. Fed. Electr. 77/85	102.35	7.08	6.13	6.76	1.11.82—85D
8½% Comp. Franc. Petr. 75/85	107.90	7.88	4.80	6.52	1. 5.80—85S
6½% Comp. Franc. Petr. 77/84	103.90	6.26	6.33	5.74	1. 7.84
8½% Consorzio 70/91 (G)	104.75	8.11	6.32	7.68	1. 1.77—91D
8¼% Continental Oil 70/85	107.00	7.71	4.28	6.32	1.12.76—85S
5¾% Copenhagen 64/84	100.50	5.72	3.68	5.59	15.12.70—84D
7% Copenhagen 68/83	104.75	6.68	3.26	5.48	2. 5.72—83S
6¾% Copenhagen 69/84	101.75	6.63	3.13	6.22	1. 6.75—84S
7¾% Copenhagen 71/86	105.50	7.35	4.61	6.45	1. 4.77—86S
9¼% Copenhagen 75/85P	107.00	8.64	4.40	7.33	1. 3.80—85D
7½% Copenhagen 76/86	109.00	6.88	6.59	5.81	1.12.81—86S
6½% Council of Europe 73/81P	102.00	6.37	3.17	5.78	1. 5.81
7% Council of Europe 73/88	106.50	6.57	5.61	5.61	1. 7.79—88D
9½% Council of Europe 75/82P	108.00	8.80	3.92	7.08	1. 2.82
8½% Council of Europe 76/83	106.85	7.96	2.86	5.82	1. 2.79—83D
7¾% Council of Europe 76/83	106.00	7.31	3.63	5.94	1. 5.80—83D
7% Council of Europe 76/83	105.95	6.61	5.75	5.75	1.12.83
6¼% Council of Europe 77/87	102.90	6.07	7.61	5.76	1.11.83—87D
6¾% Courtaulds Int'l. 69/84	102.10	6.61	0.08	—	clld.p.1. 4.78
6½% Courtaulds Int'l. 72/87	103.50	6.28	5.69	5.75	1. 7.80—87S
7¼% Courtaulds Int'l. 73/88P	103.00	7.04	5.16	6.54	1. 2.79—88D
6% Credit National 77/87 (G)	101.75	5.90	7.53	5.70	1.10.83—87S
9% CVRD 76/84	107.40	8.38	4.89	7.15	1. 2.81(82-84)
8½% CVRD 76/86	106.00	8.02	6.21	6.61	1.12.82(83-86)
8% Daimler-Benz 70/85	108.00	7.41	4.02	5.82	1.11.76—85D
6% Danish Export 77/82P	101.00	5.94	2.61	5.56	1.11.78—82D
10¾% Danish Oil 74/78P (G)	102.50	10.49	0.67	6.67	1.11.78
10¼% Danish Oil 74/78P (G)	102.50	10.00	0.75	6.64	1.12.78
8¼% Den Danske Bk. 76/86	108.80	7.58	6.60	6.55	1.11.82—80D
6½% Denmark 68/80P	101.50	6.40	1.57	5.56	1.10.72—80D
7% Denmark 69/84	103.50	6.76	3.30	5.90	1. 8.75—84S
8½% Denmark 70/85	106.50	7.98	3.83	6.66	1. 9.76—85S
7¾% Denmark 71/86	105.00	7.38	4.46	6.41	1.11.77—86S
6¾% Denmark 72/87	103.50	6.52	5.01	5.91	1.12.78—87S
9¼% Denmark 74/89	110.00	8.41	6.21	7.20	1. 3.80—89S
8¼% Denmark 76/82	109.70	7.52	3.92	5.43	1. 2.82
8% Denmark 76/82	109.75	7.29	4.50	5.48	1. 9.82
6¾% Denmark 77/83	106.25	6.35	5.21	5.34	16. 5.83
7¼% Denmark 77/87	107.00	6.78	9.21	6.22	16. 5.87
5¼% Denmark 78/84	100.75	5.21	5.92	5.10	1. 2.84
6% Denmark 78/88	101.25	5.93	9.92	5.83	1. 2.88
6¾% Der Norske Ind. 77/89 (G)	107.50	6.28	6.54	5.35	1. 6.80—89D
6½% District Paris 69/84 (G)	104.00	6.25	3.76	5.29	1. 4.75—84D
8½% Dunlop Fin. 70/85	105.75	8.04	3.74	6.85	1. 8.76—85S
7¼% EEC 76/83	110.00	6.59	5.08	4.97	1. 4.83
7½% Elect. Council 69/84 (G)	104.75	7.16	3.38	6.02	1. 9.75—84S
7½% Elect. Council 69/84P (G)	103.25	7.26	3.37	6.52	1. 9.75—84D
7¾% Elect. Council 71/86 (G)	105.15	7.37	4.34	6.47	1. 3.77—86S
8½% Elect. de France 70/85 (G)	106.75	7.96	4.00	6.66	1.11.76—85S

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D – mandatory drawing by lot at par S – sinking fund
7% Electrobas 77/87 (G)	101.25	6.91	7.43	6.77	1. 9.83(83-87)
5¾% Elf-Norge 77/80P	102.50	5.61	2.12	4.48	16. 4.80
6% ENEL 65/80 (G)	100.25	5.99	1.31	5.88	1. 7.69—80D
8½% Enso-Gutzeit 70/85	105.75	8.04	3.88	7.25	1.10.76—85D
6¾% Ericsson 72/87	104.75	6.44	5.02	5.64	1. 3.78—87S
8¾% ESAB 76/81P	106.50	8.22	2.92	6.24	1. 2.81
6½% ESCOM 65/80 (G)	100.45	6.47	1.56	6.16	1.10.71—80D
6½% ESCOM 68/83 (G)	98.45	6.60	2.98	7.07	1.10.74—83D
8½% ESCOM 70/85 (G)	105.00	8.10	3.95	7.00	1. 4.76—85D
8% ESCOM 71/86 (G)	100.95	7.92	4.30	7.89	1. 3.77—86D
6¼% ESCOM 72/87 (G)	95.00	6.58	4.70	7.54	1. 9.78—87D
7% ESCOM 73/88 (G)	94.40	7.42	5.34	8.33	1. 5.79—88D
9¼% ESCOM 75/80 (G)	106.00	8.73	2.42	6.46	1. 8.80
8% ESCOM 78/81 IP (G)	100.50	7.96	2.36	7.74	15. 1.80—81D
8% ESCOM 78/81 IIP (G)	100.50	7.96	2.41	7.75	1. 2.80—81D
8¼% ESCOM 78/81P (G)	102.50	8.05	2.92	7.26	1. 2.81
7¾% ESTEL 73/88	104.50	7.42	6.10	6.81	1. 8.79—88S
8½% ESTEL 75/85	109.00	7.80	5.59	6.52	1. 6.81—85S
8½% ESTEL 76/83P	106.00	8.02	5.00	7.04	1. 3.83
6½% ESTEL 77/84P	100.50	6.47	6.67	6.40	1.11.84
5¾% Euratom 77/87	100.40	5.73	9.67	5.69	1.11.87
5½% Eurofima 64/79	101.00	5.45	0.91	4.32	1. 8.67—79D
6% Eurofima 65/80	105.75	5.67	1.74	2.57	1.12.68—80D
6½% Eurofima 67/83	105.00	6.19	2.93	4.62	1. 9.71—83D
7¾% Eurofima 71/86	106.50	7.28	4.26	5.97	1. 2.75—86D
6¼% Eurofima 72/87	104.50	5.98	4.79	5.16	1. 9.76—87D
6½% Eurofima 73/88	104.65	6.21	5.28	5.46	1. 3.77—88D
8% Eurofima 73/88	107.50	7.44	5.28	6.27	1.10.77—88D
10% Eurofima 74/79P	107.25	9.32	1.75	5.51	1.12.79
9% Eurofima 75/85	109.75	8.20	4.85	6.58	1. 2.81—85D
8% Eurofima 76/83	112.00	7.14	4.92	5.17	1. 2.83
6¾% Eurofima 77/87P	104.00	6.49	6.86	6.02	1. 2.83—87D
5½% Eurofima 78/88	100.50	5.47	7.38	5.41	15. 2.83—88D
6½% Europ. Inv. Bank 68/78	100.50	6.47	0.25	4.48	1. 6.78
6% Europ. Inv. Bank 69/84	105.00	5.71	2.92	4.21	1. 3.75—84D
7% Europ. Inv. Bank 69/84	105.75	6.62	3.56	5.28	1.11.75—84D
8% Europ. Inv. Bank 70/80	108.50	7.37	2.17	3.91	2. 5.80
7½% Europ. Inv. Bank 71/86	107.50	6.98	4.36	5.62	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	108.00	7.18	4.40	5.63	1.10.77—86D
6½% Euorp. Inv. Bank 72/87	104.50	6.22	4.29	5.30	1. 3.78—87D
6% Europ. Inv. Bank 72/87	103.50	5.80	5.87	5.28	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	106.25	6.35	5.65	5.43	1. 2.79—88S
7% Europ. Inv. Bank 73/88	108.25	6.47	6.07	5.36	1. 7.79—88S
10% Europ. Inv. Bank 74/81P	111.50	8.97	3.50	6.22	1. 9.81
8% Europ. Inv. Bank 75/80	109.10	7.33	2.75	4.40	1.12.80
9½% Europ. Inv. Bank 75/83	114.25	8.32	3.82	5.27	1. 1.81—83D
8% Europ. Inv. Bank 76/83	108.60	7.37	3.80	5.42	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83P	109.25	7.09	5.58	5.75	1.10.83
6¾% Europ. Inv. Bank 76/84	106.40	6.34	5.22	5.31	1.12.81—84D
6% Europ. Inv. Bank 77/89	103.50	5.80	7.78	5.43	1. 8.82—89D
8¼% Europistas 71/86 (G)	105.45	7.82	4.24	6.86	1. 2.77—86D
8% Europistas 72/87 (G)	105.25	7.60	4.62	6.77	1. 1.78—87D
10½% Fin. Inst. f. Dan. Ind. 74/78P	101.75	10.32	0.67	7.57	1.11.75—78D
7½% Fin. Inst. f. Dan. Ind. 76/81P	103.50	7.25	2.59	5.99	1.12.78—81S
6¼% Finland 64/79	102.25	6.11	1.00	3.96	1. 9.70—79D
6% Finland 64/80	102.25	5.87	1.33	4.28	2. 1.71—80D
7% Finland 68/83	102.50	6.83	3.19	6.21	1. 6.72—83D
6¾% Finland 68/83	102.75	6.57	3.17	5.87	1.12.72—83D
7% Finland 69/84	102.90	6.80	3.05	6.03	2. 5.73—84D
7½% Finland 69/84	104.50	7.18	3.46	6.13	1.10.73—84D
8½% Finland 70/85	105.75	8.04	4.07	6.97	1.12.76—85S
7% Finland 72/87	103.70	6.75	4.34	6.11	1. 4.78—87S
8% Finland 76/84	106.75	7.49	4.71	6.29	1. 6.81—84S
5½% Finland 78/83P	101.50	5.42	4.92	5.14	1. 2.83
5¾% Finland 78/86	99.75	5.76	7.92	5.79	1. 2.86
7½% Finn. Kommunal 69/81 (G)	103.50	7.25	2.21	5.87	1.12.72—81D
8% Finn. Kommunal 71/83 (G)	104.75	7.64	3.11	6.38	2. 5.76—83D
8¼% Forsmarks 75/83G	110.00	7.50	3.80	5.27	1. 7.80—83D
5¾% Forsmarks 78/90	100.25	5.74	8.23	5.71	16. 1.83—90D
7½% Francetel 76/83 (G)	108.50	6.91	5.62	5.68	16.10.83

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
6¼% Francetel 77/84P (G)	104.50	6.46	6.08	5.85	1. 4.84
7% Fuji Heavy 76/81P	104.00	6.73	3.75	5.77	1.12.81
7% Gen'l. Instrum. 68/80	100.50	6.97	1.27	6.68	1. 6.71—80S
9¼% Gen. Zbk. Vienna 75/82P	110.50	8.37	4.00	6.21	1. 3.82
8½% Gen. Zbk. Vienna 76/83P	107.50	7.91	4.41	6.48	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	102.60	5.85	7.70	5.57	1.12.83—87D
9¾% Giroz. Vienna 74/78P	102.75	9.49	0.75	5.82	1.12.78
9¾% Giroz. Vienna 74/79P	107.00	9.11	1.75	5.42	1.12.79
9¾% Giroz. Vienna 74/80P	109.00	8.94	2.75	6.08	1.12.80
7% Giroz. Vienna 76/81	107.00	6.54	3.67	4.86	1.11.81
7¼% Giroz. Vienna 76/83	108.50	6.68	5.67	5.46	1.11.83
5½% Giroz. Vienna 77/82	102.90	5.34	4.58	4.77	1.10.82
8% Glaxo Fin. 71/86	105.15	7.61	4.12	6.66	1. 7.77—86S
9¾% Goeteborg 75/85P	109.00	8.94	4.84	7.46	1. 2.81—85D
6¾% Goodyear Tire 72/87	104.00	6.49	5.02	5.80	1.12.78—87S
7% Grand Metrop. Fin. 77/84	104.75	6.68	4.88	5.84	1. 8.81—84S
7¼% Guardian Inv. 73/83P	104.00	6.97	2.86	5.69	1. 2.79—83D
8% Guest-Keen Nettl. 76/83	109.25	7.32	5.17	5.87	2. 5.83
6¾% Hamersley Iron 72/87	103.35	6.53	4.60	5.89	1. 7.78—87S
8% Hazama-Gumi 76/81P	106.00	7.55	3.25	5.90	1. 4.78
7% Helsinki 68/83	102.00	6.86	2.74	6.29	1. 7.72—83S
6½% Highv. Steel ex w. 66/78	100.00	6.50	0.08	—	1. 4.79
7% Hitachi Cable 77/82P	105.00	6.67	3.83	5.51	1. 1.82
8¼% Hitachi Shipbldg. 76/81	105.25	7.84	3.00	6.28	1. 3.81
8½% Hoogovens 70/85	105.00	8.10	3.57	7.01	1. 6.76—85D
8¾% IAKW Vienna 75/85 (G)	111.25	7.87	4.58	5.87	1. 5.80—85D
7¼% Iceland 69/84	103.50	7.00	3.58	6.24	1. 5.73—84S
7¾% Iceland 77/87	105.80	7.33	5.86	6.52	1. 4.80—87S
8½% I C I Int'l. 70/85	106.50	7.98	3.91	6.69	1.10.76—85S
8% I C I Int'l. 71/86	105.60	7.58	4.57	6.53	1.10.77—86S
6½% I C I Int'l. 72/92	103.40	6.29	7.24	5.91	1. 3.78—92S
8½% I C I Int'l. 75/82	108.45	7.84	4.42	6.24	1. 8.82
7½% I C I Int'l. 76/86	107.00	7.01	7.73	6.32	1.12.84—86D
6¾% I C I Int'l. 77/87	106.75	6.32	7.63	5.63	1. 5.84—87D
8% I C I P U 71/91 (G)	105.00	7.62	6.35	7.13	1. 1.77—91D
8% Imatran Voima 71/86 (G)	104.50	7.66	4.06	6.83	1. 4.77—86S
8% Imatran Voima 72/87 (G)	105.25	7.60	4.62	6.77	1. 1.78—87S
7% Industr. Bk. Japan 68/83	104.75	6.68	3.17	5.42	1.12.72—83S
8½% Industr. Bk. Japan 70/85	110.00	7.73	3.86	5.66	1. 9.74—85S
6½% Industr. Bk. Japan 73/80P	102.25	6.36	2.25	5.40	1. 6.80
6½% Industr. Bk. Japan 73/81P	102.75	6.33	3.17	5.52	1. 5.81
7½% Ind. Min. Dev. Iran 73/85	104.25	7.19	4.05	6.27	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	104.90	7.39	7.27	6.86	1. 7.83—87S
6¼% Ind. Mtgebk. Finl. 64/79 (G)	102.00	6.13	1.17	4.51	2. 5.70—79D
6¾% Ind. Mtgebk. Finl. 68/80 (G)	103.00	6.55	1.65	4.89	1.11.73—80D
8% Ind. Mtgebk. Finl. 71/86 (G)	105.25	7.60	4.53	6.75	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	103.50	6.76	4.59	6.20	1. 7.78—87D
9% Ind. Mtgebk. Finl. 75/84 (G)	107.25	8.39	3.49	6.60	1. 4.78—84D
5½% Int. Am. Dev. Bank 64/79	100.60	5.47	0.83	4.71	1. 7.70—79D
6¾% Int. Am. Dev. Bank 68/83	103.25	6.54	2.75	5.53	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	105.10	6.66	3.31	5.37	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	106.50	7.98	3.83	6.66	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	103.50	6.52	4.97	5.91	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	103.50	6.52	5.38	5.96	1.11.78—87S
8% Int. Am. Dev. Bank 76/83P	106.25	7.53	4.96	6.48	16. 2.83
8¼% Int. Am. Dev. Bank 76/83P	107.50	7.67	5.33	6.53	1. 7.83
7% Int. Am. Dev. Bank 77/87	106.25	6.59	6.78	5.85	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	102.50	6.10	9.83	5.90	1. 1.88
6¾% Int'l. Com'l. Bank 73/83	103.55	6.52	3.20	5.50	1. 6.79—83D
7¼% I R A N 68/78	102.00	7.11	0.75	4.54	1.12.71—78S
7¼% Ireland 69/84	103.75	6.99	3.38	6.10	1. 9.75—84D
8½% Ireland 70/85	106.00	8.02	3.83	6.81	1. 9.76—85D
8¼% Ireland 76/81	108.50	7.60	2.83	4.95	1. 1.81
5¾% I R I ex. warr. 64/79 (G)	100.00	5.75	1.33	5.83	30. 6.75—79D
7¾% ISCOR 71/86 (G)	98.50	7.87	8.25	8.16	1. 6.77—86D
7% ISCOR 72/87 (G)	94.75	7.39	4.24	8.68	1. 4.78—87D
7% ISCOR 73/88 (G)	94.25	7.43	5.17	8.42	1. 3.79—88D
8½% ISCOR 73/88 (G)	101.55	8.37	5.85	8.14	1.11.79—88D
8¼% ISCOR 77/80P (G)	101.50	8.13	2.54	7.55	16. 9.79—80D
8¼% ISCOR 78/80P (G)	101.50	8.13	2.33	7.49	16.12.79—80D
6% Japan 64/79	102.50	5.85	1.25	3.96	1. 6.70—79D
7% Japan 68/83	106.00	6.60	2.44	4.42	1. 3.72—83S
7¼% Japan Dev. Bk. 76/83 (G)	108.00	6.71	5.08	5.40	1. 4.83
8¼% Japan Synt. Rub. 76/81P	107.00	7.71	3.33	5.86	1. 7.81
8% Johannesburg 71/86 (G)	101.90	7.85	4.26	7.44	1. 9.77—86D
6¼% Johannesburg 72/87 (G)	92.80	6.73	4.68	8.15	1. 9.78—87D
7¼% Jydsk Telefon 69/84	102.75	7.06	3.41	6.44	15. 9.75—84S
6¾% Jydsk Telefon 72/87	103.50	6.52	4.72	5.88	1. 3.78—87S
7¼% Jydsk Telefon 73/88	105.50	6.87	5.63	6.06	1. 2.79—88S
9% Jydsk Telefon 75/82P	107.00	8.41	4.33	7.05	1. 7.82
6¾% Kansai Electric 69/84	105.25	6.41	3.43	5.13	1. 3.75—84S
7¾% Kansai Electric 71/86	105.50	7.35	4.51	6.30	1. 5.77—86S
8¾% Kawasaki Steel 75/82	106.75	8.20	3.23	6.35	1. 6.80—82D
6¾% KELAG 73/88	105.90	6.37	5.45	5.46	1. 5.79—88S
6¾% KHD Finance 72/87	104.85	6.44	4.99	5.60	2. 5.78—87S
7¾% Kjobenhavns H. Bank 76/83P	104.00	7.09	5.75	6.51	1.12.83
7½% Kjobenhavns Tel. 72/87	105.00	7.14	4.83	6.38	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	104.50	6.70	4.98	5.92	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	103.75	6.27	5.81	5.72	1. 4.79—88S

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D – mandatory drawing by lot at par S – sinking fund
8½% KLM Finance 70/85	105.50	8.06	3.91	6.99	1.10.76—85D
7% Kobe 68/83 (G)	104.50	6.70	2.68	5.24	1. 6.72—83S
6¾% Kobe 69/84 (G)	105.50	6.40	3.59	5.12	1. 5.73—84S
7¾% Kobe 71/86 (G)	109.00	7.11	4.47	5.43	1. 2.77—86S
6¾% Kobe 72/87 (G)	104.65	6.45	4.98	5.65	1. 5.78—87S
8¼% Kobe 75/80P (G)	103.50	7.97	2.25	6.50	1. 6.80
7½% Kobe 76/83 (G)	109.00	6.88	5.25	5.47	1. 6.83
6½% Kobe 77/87 (G)	107.25	6.06	9.25	5.48	1. 6.87
7¾% Kommunl. Inst. 76/83	104.80	7.40	4.06	6.37	1. 4.81—83D
8% Kommunl. Inst. 76/84	103.75	7.71	4.47	6.98	15.10.77—84D
7¼% Korea Dev. Bank 77/84	99.50	7.29	6.75	7.34	1.12.84
5¼% Kubota Int'l. 77/82P	101.50	5.17	3.85	4.67	1.12.81—82D
8½% Light-Servicos 77/82 (G)	106.75	7.96	4.00	6.53	1. 3.82
8½% Longt. Cr. Bk. Japan 70/85	105.35	8.07	3.99	7.06	1.11.76—85S
10% Lonza Itn'l. 74/79 P	107.00	9.35	1.67	5.45	1.11.79
8¼% Lonza Itn'l. 75/80P	106.25	7.76	2.21	5.16	15. 5.80
7% Malaysia 72/84	102.25	6.85	3.66	6.28	1. 6.75—84D
6½% Malaysia 77/85	99.45	6.54	7.50	6.59	1. 9.85
9¼% Malmoe 75/84	111.50	8.30	4.38	6.17	1. 2.81—84D
8¼% Malmoe 76/83	106.75	7.73	3.46	6.03	1. 3.80—83D
6½% Manitoba 77/84	108.25	6.00	6.33	4.94	1. 7.84
6¾% Manit. Hydro El. 72/87	103.15	6.54	4.51	5.92	1. 6.78—87S
6¼% Megal Fin. Comp. 78/90	102.25	6.11	9.25	5.92	2. 1.85—90S
7% M E P C 73/88	100.75	6.95	5.40	6.82	1. 5.79—88D
7% Mexico 68/80	104.00	6.73	1.24	3.69	1. 6.71—80S
7% Mexico 68/84	102.00	6.86	3.25	6.40	2. 1.73—84S
7¼% Mexico 73/88	105.25	6.89	5.09	6.02	1. 1.79—88S
9% Mexico 75/82	109.75	8.20	4.33	6.34	1. 7.82
8% Mexico 76/83	108.50	7.37	5.25	6.05	1. 6.83
7¾% Mexico 77/84	105.55	7.34	6.25	6.63	1. 6.84
7¾% Mitsubishi Gas 76/81P	103.75	7.47	3.25	6.42	1. 6.81
7¾% Mitsui Toatsu 76/81P	104.00	7.45	3.54	6.43	15. 9.81
9% MODO 75/83	105.75	8.51	3.71	7.16	1. 6.80—83D
7% Montreal 69/89	104.75	6.68	5.79	6.00	1. 4.70—89D
6% Montreal 72/92	100.10	5.99	6.96	5.97	1. 9.73—92D
6¾% Montreal 73/93	102.00	6.62	7.10	6.38	1. 6.74—93S
8½% Montreal 76/86	107.00	7.94	4.12	6.49	1. 7.77—86S
7% Montreal 77/87	103.25	6.78	4.63	6.16	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	104.50	7.18	3.55	6.16	1.11.75—84S
7¾% Mortg. Denmark 71/86 (G)	105.10	7.37	4.34	6.49	1. 3.77—86D
7% Mortg. Denmark 73/88 (G)	103.50	6.76	5.58	6.23	1. 7.79—88S
6¾% Mortg. Bk. Finl. 69/84 (G)	103.10	6.55	2.97	5.68	1. 4.73—84S
7¼% Nafi. Mexico 69/79 (G)	101.75	7.13	1.25	5.85	1. 6.72—79S
8¾% Nafi. Mexico 76/83P (G)	106.00	8.25	5.75	7.42	1.12.83
7% Nafi. Mexico 77/82P (G)	101.00	6.93	4.50	6.72	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	107.00	8.18	6.00	7.27	1. 3.84
8¾% Nafi. Mexico 77/84P (G)	107.00	8.18	6.00	7.27	1. 3.84
8¼% Natl. Bk. Hungary 75/81	106.75	7.73	3.33	5.94	1. 7.81
6½% Natl. Bk. Hungary 77/85	98.00	6.63	7.67	6.84	1.11.85
6½% National Lead 67/79	100.50	6.47	0.74	5.75	1. 6.72—79S
8% Natl. Westm. Bk. 73/88	107.40	7.45	5.83	6.42	1.10.79—88S
6¾% New Brunswick 72/87	104.75	6.44	4.94	5.61	1.11.76—87S
7¼% Newfoundland 69/84	105.60	6.87	3.31	5.45	1. 8.75—84S
8% Newfoundland 71/86	106.25	7.53	4.22	6.25	1. 8.77—86S
6¾% Newfoundland 72/87	105.25	6.41	4.95	5.50	1.11.78—87S
6½% Newfoundland 73/88	105.50	6.16	6.44	5.46	1. 4.81—88S
7% New Zealand 68/78	100.75	6.95	0.33	4.73	1. 7.72—78S
6¾% New Zealand 69/84	107.00	6.31	3.35	4.53	1. 2.75—84D
7½% New Zealand 71/86	108.00	6.94	4.53	5.55	1. 5.77—86D
7% New Zealand 72/87	106.50	6.57	4.74	5.41	1. 2.78—87D
9½% New Zealand 75/80P	107.50	8.84	1.92	5.27	1. 2.80
9¼% New Zealand 75/80P	107.00	8.64	1.92	5.30	1. 2.80
8¼% New Zealand 75/80P	107.00	7.71	2.33	4.98	1. 7.80
9¾% New Zealand 75/82	112.65	8.66	3.83	5.95	1. 1.82
7½% New Zealand 76/83	108.75	6.90	5.00	5.45	1. 3.83
7¾% New Zealand 76/86	111.00	6.98	6.61	5.70	1.11.82—86D
6¼% New Zealand 77/84	105.75	5.91	6.17	5.13	1. 5.84
5¼% New Zealand 78/86	100.30	5.23	8.00	5.20	1. 3.86
9% Nippon Kokan 75/82	106.25	8.47	3.06	6.67	1. 4.80—82D
8¾% Nippon T + T 75/82 (G)	108.50	8.06	4.00	6.28	1. 3.82
8¼% Nippon T + T 75/82 (G)	108.00	7.64	4.25	6.05	1. 6.82
7¾% Nippon T + T 76/83 (G)	108.75	7.13	5.58	5.86	1.10.83
5¾% Norcem 78/85	101.30	5.68	7.00	5.52	1. 3.85
8½% Norges Komm. Bk. 70/85 (G)	107.75	7.89	3.92	6.34	1.10.76—85S
8% Norges Komm. Bk. 75/80 (G)	106.80	7.49	2.25	4.73	1. 6.80
8% Norges Komm. Bk. 75/80P (G)	107.00	7.48	2.33	4.74	1. 7.80
7% Norges Komm. Bk. 76/81 (G)	106.75	6.56	3.17	4.65	1. 5.81
7% Norges Komm. Bk. 77/80 (G)	106.90	6.55	6.81	5.74	1. 4.80—89S
6% Norges Komm. Bk. 77/89 I (G)	103.25	5.81	7.33	5.44	16.10.80—89S
6% Norges Komm. Bk. 77/89 II (G)	103.25	5.81	7.54	3.29	1.12.80—89S
8½% Norpipe 76/84	108.65	7.82	4.26	6.13	1. 2.80—84S
8% Norpipe 76/88	109.50	7.31	7.66	6.39	1. 6.83—88S
6% Norpipe 77/89	102.50	5.85	9.08	5.63	1.11.84—89D
7¼% Norsea Gas 76/88	108.00	6.71	8.17	5.98	1.12.83—88S
7% Norsea Gas 77/89	107.65	6.50	11.33	6.04	1. 7.84—89S
9% Norsk Hydro 75/87	112.50	8.00	5.34	6.18	1. 3.80—87D
8% Norsk Hydro 76/88	109.75	7.29	7.49	6.32	1. 4.83—88S
6¾% Norsk Hydro 77/89	105.25	6.41	8.04	5.91	1. 6.82—89S
8¼% Norway 75/80	107.50	7.67	2.17	4.53	1. 5.80
8¼% Norway 75/80P	106.50	7.75	2.25	5.10	1. 6.80
7¾% Norway 75/80	107.50	7.21	2.75	4.76	1.12.80
7% Norway 76/81	106.75	6.56	3.17	4.65	1. 5.81
7½% Norway 76/81	110.50	6.79	3.33	4.06	1. 7.81
6½% Norway 77/82	107.10	6.07	3.83	4.44	1. 1.82
6¼% Norway 77/82	106.40	5.87	4.08	4.50	1. 4.82
5¾% Norway 77/82	104.30	5.51	4.42	4.64	1. 8.82
4¾% Norway 78/83	101.00	4.70	4.83	4.51	1. 1.83
7¼% Norw. Mortgage 77/87	106.25	6.82	7.15	6.14	15. 5.83—87D
6% Norw. Mortgage 77/89	101.90	5.89	8.06	5.69	16.11.82—89D
7¾% Nova Scotia 71/86	105.30	7.36	4.54	6.49	1.12.77—86D
7% Nova Scotia Power 72/87	104.75	6.68	5.02	5.87	1.12.78—87S
6½% Occidental Overs. 68/83	102.75	6.33	3.00	5.57	1.10.72—83S
6% Oester. Donaukr. 59/84 (G)	103.25	5.81	3.35	4.99	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	105.75	6.38	5.73	5.55	1. 3.79—88S
8¾% Oester. Donaukr. 75/85 (G)	112.40	7.78	4.94	5.79	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	106.30	6.59	4.74	5.55	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83P (G)	106.00	6.60	5.79	5.75	16.12.83
10¼% Oest. Inv. Kredit 74/79P	107.00	9.58	1.62	5.58	16.10.79
9¾% Oest. Kontrollbank 74/78P (G)	102.00	9.56	0.50	5.45	1. 9.78
9½% Oest. Kontrollbank 74/79 IP (G)	105.00	9.05	1.25	5.23	1. 6.79
9½% Oest. Kontrollbank 74/79 IIP (G)	105.00	9.05	1.33	5.47	1. 7.79
7% Oest. Kontrollbank 76/83P (G)	105.00	6.67	5.75	5.94	1.12.83
6¾% Oest. Kontrollbank 77/89P (G)	104.50	6.46	5.92	5.83	1. 2.84
6½% Oest. Kontrollbank 77/84P (G)	103.00	6.31	6.33	5.91	1. 7.84
6¼% Oest. Kontrollbank 77/84P (G)	103.00	6.07	6.42	5.67	1. 8.84
6% Oest. Kontrollbank 77/85P (G)	103.00	5.83	7.67	5.50	1.11.85
5½% Oest. Länderbank 77/82 (G)	102.75	5.35	4.75	4.83	1.12.82
6¼% O K O 69/79 (G)	100.75	6.20	1.16	5.64	1.11.70—79D
6½% Ontario 69/84	105.05	6.19	3.35	4.90	1. 2.75—84D
6% Ontario 72/87	104.50	5.74	5.87	5.09	1. 9.80—87D
7% Ontario Hydro 69/84	106.15	6.59	3.32	5.03	1. 8.75—84D
7½% Ontario Hydro 71/86	106.50	7.04	4.56	5.83	1.12.77—86D
6½% Ontario Hydro 72/87	105.75	6.15	5.62	5.28	1. 6.80—87D
6½% Ontario Hydro 73/88	104.50	6.22	6.36	5.64	1. 3.81—88D
6½% Osaka 64/79 (G)	101.50	6.40	0.84	4.69	2. 1.70—79D

WestLB Schuldscheindarlehen

4 year maturity: 4.75% **5 year maturity: 5.00%**

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
6¼% Osaka 65/80 (G)	102.30	6.11	1.41	4.60	1. 2.71—80D
6% Oslo 64/79	101.25	5.93	0.58	3.82	1. 4.70—79D
5¾% Oslo 65/80	102.15	5.63	1.49	4.30	1. 3.71—80D
7% Oslo 67/79	102.75	6.81	1.00	4.14	1. 3.72—79D
7½% Oslo 69/84	106.25	7.06	3.56	5.61	1.11.75—84D
7½% Oslo 71/87	106.30	7.06	4.84	6.06	2. 1.78—87S
6¾% Oslo 73/90	103.75	6.51	6.13	5.99	1. 7.76—90S
9% Oslo 75/87	110.00	8.18	4.70	6.46	1. 3.78—87S
7% Outokumpu 68/78 (G)	100.50	6.97	0.50	6.06	1. 9.72—78D
6¾% Papua 73/88	105.35	6.41	6.06	5.67	1. 7.79—88S
6¾% Parker-Hannifin 77/87P	104.00	6.49	7.19	6.04	1. 6.83—87D
8¾% Pemex 76/83	108.50	8.06	5.75	6.90	1.12.83
7% Pemex 77/84	103.75	6.75	6.50	6.27	1. 9.84
7% Pemex 78/86	102.75	6.81	7.83	6.54	1. 1.86
7% Petrobas 77/84	101.25	6.91	6.58	6.75	1.10.84
6¾% Philip Morris 72/87	105.25	6.41	4.95	5.50	1.11.78—87D
7¼% Philippine 77/84	100.00	7.25	6.67	7.24	1.11.84
8¾% Phillips 75/81P	108.00	8.10	3.08	5.83	1. 4.81
8½% Phillips 75/81P	107.00	7.94	3.12	5.97	15. 4.81
8¾% Phillips 75/82	109.75	7.97	4.04	5.97	15. 3.82
8½% PK-Banken 75/83	104.40	8.14	3.87	7.14	1. 8.80—83D
9¼% Platm. Malmöe 75/80P	105.50	8.77	2.17	6.43	1. 5.80
7¼% Privatbk. Copenh. 77/83P	103.50	7.00	5.08	6.42	1. 4.83
6¼% Pyhrn Autobahn 77/89 (G)	103.25	6.05	8.92	5.77	1. 9.84—89D
6½% Quebec 72/87	102.60	6.34	4.60	5.83	1. 7.78—87D
7½% Quebec 77/87	106.60	7.04	8.92	6.50	1. 2.87
7¼% Quebec 77/87	105.25	6.89	9.25	6.47	1. 6.87
6¾% Quebec Hydro El. 69/84	104.80	6.44	3.34	5.23	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	105.60	6.87	3.39	5.49	1. 9.75—84D
8% Quebec Hydro El. 71/86	106.35	7.52	4.29	6.39	1. 9.77—86D
6½% Quebec Hydro El. 72/87	102.75	6.33	4.89	5.83	1. 4.78—87D
6½% Quebec Hydro El. 73/88	102.85	6.32	5.27	5.86	1. 3.79—88D
6½% Quebec Hydro El. 77/87	103.00	6.31	9.46	6.07	16. 8.87
6¼% Quebec Hydro El. 77/87	102.15	6.12	9.75	5.95	1.12.87
8½% Queensland Alu. 70/85	105.75	8.04	3.99	6.94	1.11.76—85S
7½% Redland Int'l. 69/84	103.90	7.22	0.25	—	1. 6.75—84S
7¼% Reed Paper 73/88	103.50	7.00	5.08	6.41	1. 1.79—88S
8½% Renfe 76/82 (G)	108.40	7.84	4.33	6.21	1. 7.82
8% Renfe 77/84 (G)	107.10	7.47	6.08	6.54	1. 4.84
7¾% SAAB 71/86	105.75	7.33	4.24	6.28	1. 6.77—86S
10¼% SAFE 74/79P	107.00	9.58	1.67	5.69	1.11.79
7½% Sanvik 72/87	104.75	7.16	4.71	6.30	1. 2.78—87D
9¼% Sandvik 75/83	112.75	8.20	4.92	6.16	1. 2.83
8½% Sanko Steamship 75/80	104.50	8.13	2.75	6.64	1.12.80
7% Sanko Steamship 77/84	106.20	6.59	5.92	5.73	1. 2.84
9% S.A.P.L. 75/80P (G)	108.50	8.29	2.00	4.46	1. 3.80
7% Sears Int'l. 68/83	102.75	6.81	2.75	5.98	30. 6.73—83S
6½% Shell Int'l. 72/87	104.85	6.20	4.91	5.35	1. 4.78—87S
6½% Shell Int'l. 77/89	109.50	6.16	8.86	5.37	1. 2.85—89D
8¼% Ship. Co. N. Zealand 75/80 P (G)	106.00	7.78	2.26	5.34	3. 6.80
8½% Ship. Co. N. Zealand 75/82 IP (G)	106.50	7.98	4.22	6.67	22. 5.82
8½% Ship. Co. N. Zealand 75/82 IIP (G)	106.50	7.98	4.24	6.68	27. 5.82

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MARKET MAKERS

REGION 1 - BELGIUM

105 Bondtrade
110 Dewaay, Sebille, Servais
Van Campenhout & Cie
115 Kredietbank N.V.

REGION 2 - FRANCE

230 Banque Arabe et Internationale d'Investissement (B.A.I.I.)
225 Banque Louis-Dreyfus
205 Banque Nationale de Paris
75009 Paris 16, Boulevard des Italiens P 225-4700/523 5500 T 650814/650819
210 Credit Commercial de France Paris
215 Credit Lyonnais
218 E. F. Hutton Services S.A.R.L.
220 Interunion-Banque

REGION 3 - GERMANY/AUSTRIA

300 Commerzbank AG
6000 Frankfurt Neue Mainzer Strasse 32-36 P 13621 T 416111 T 416345
305 Deutsche Bank AG
6000 Frankfurt Grosse Gallusstrasse 10-14 Junghofstrasse 5-11 P 21 41 T 41 1976
306 Dresdner Bank AG
6000 Frankfurt Gallusanlage 7-8 P 2631 T 414 901 P 23 08 21 T 41 220
307 Westdeutsche Landesbank Girozentrale
4000 Dusseldorf Friedrichstrasse 56 P 826 31 22 T 858 1882
309 Creditanstalt Bankverein
1010 Vienna Schottengasse 6 P 63692540/1 T 74324
310 Girozentrale und Bank der österreichischen Sparkassen AG
1011 Vienna Schubertring 5 P 72 94 272/72 94 772 T 13 195

REGION 4 - ITALY

405 Banca Commerciale Italiana Milan
407 Banco Ambrosiano S.p.A.
409 Banco di Roma
415 Credito Italiano
20123 Milan Piazza Cordusio 2 P 87 17 44/8862 T 35 617 P 89 01 16
420 Istituto Bancario Italiano
425 Istituto Bancario San Paolo di Torino
430 Mote dei Paschi di Siena

REGION 5 - LUXEMBOURG

505 Banque Générale du Luxembourg S.A.
510 Banque Internationale à Luxembourg S.A.
540 Bayerische Landesbank International S.A.
Luxembourg 25 Boulevard Royal P 474021 T 1249 P 475911
515 Dewaay Luxembourg S.A.
520 Kredietbank S.A. Luxembourgeoise
Luxembourg 43, Boulevard Royal P 26411 T 1451
530 Swiss Bank Corporation (Luxembourg

REGION 6 - NETHERLANDS

600 H. Albert de Bary & Co. N.V.
601 Algemene Bank Nederland N.V.
602 Amsterdam-Rotterdam Bank N.V.
603 Bank Mees & Hope N.V.
604 Barclays Kol & Co. N.V.
Amsterdam Herengracht 500 P 262 209 T 12 130/12 193
611 Centrale Rabobank Utrecht
St. Jacobsstraat 30 General P 369111 T 40025 Trading P 362410 T 70105
605 Bank Morgan Labouchere N.V.
610 F. van Lanschot
606 Nederlandsche Middenstandsbank N.V.
607 Nederlandse Crediethank N.V.
608 Pierson, Heldring & Pierson
609 Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

705 Bank of Helsinki Ltd. (Helsingfors Aktiebank)
740 Den norske Creditbank
710 R. Henriques jr. Bank-Aktieselskab
1200 Copenhagen K Højbro Plads 9 P 12 00 52 T 19 162/19 952
715 Kansallis-Osake-Pankki
720 Kjöbenhavns Handelsbank
1091 Copenhagen K Holmens Kanal 2 P 12 86 00 T 19 177
745 Postipankki
730 Privatbanken Aktieselskab
735 Skandinaviska Enskilda Banken
10640 Stockholm Kungsträdgårdsgatan 8 P 763 50 00/24 28 30 T 11 007
725 Union Bank of Finland (Nordiska Föreningsbanken Ab)

REGION 8 - SWITZERLAND

800 Bondpartners S.A.
805 Credit Suisse/Swiss Credit Bank T 55 212 Trading
860 Swiss Bank Corporation
8022 Zurich Paradeplatz 6 P 223 11 11 T 53 471
870 Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

901 Akroyd & Smithers Limited
London EC2R 6EJ 56/61 Moorgate P 588-4535 T 88 12401/2
950 Bankers Trust International Limited
910 Banque Francaise de Credit International Ltd.
911 Citicorp International Bank Limited
London WC2R 1LS 335 Strand P 836-1230 T 88 4933
912 Continental Illinois Limited
914 Credit Suisse White Weld Ltd.
London EC3V 4QH 122 Leadenhall Street P 283-4200 T 88 3731
913 Daiwa Europe N.V.
London EC1A 4AJ 8-14 St. Martins-le-Grand P 600-5676 T 88 4121
915 Deltec Trading Company Limited
920 Dillon, Read Overseas Corporation
London W1X 7HF 10 Chesterfield Street P 493 1239 T 88 11055 P 491 4774 Trading
992 Dominion Securities Limited
925 European Banking Company Ltd.
London EC3V 4PP 150 Leadenhall Street P 638-3654 T 88 11001
927 The First Boston Corporation
930 First Chicago Limited
931 Goldman Sachs International Corp.
London EC3V 5DE 40 Basinghall Street P 638-4155 T 88 7902 P 638-9243
932 Hambros Bank Limited
London EC2P 2AA 41 Bishopsgate P 588-4698 T 88 8337
933 IBJ International Limited
London EC4N 8HR Bucklersbury House 3 Queen Victoria Street P Trading 236-0551 T 883411 P General 236-2756
935 Kidder Peabody Securities Limited
London EC2P 2LA 24th Floor 99 Bishopsgate P 638-8272 T 88 4694/5/6/7/8
938 Loeb, Rhoades International Limited
London W1X 9DB 55 Grosvenor Street P 491 3381 T 25 432
936 Manufacturers Hanover Limited
London EC2P 2EN 8 Princes Street General P 600-4585 T 88 4901 Trading P 606-8461/4 T 88 8716
937 McLeod, Young, Weir International Limited
940 Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd.
London EC1A 7DA 3-5 Newgate Street P 236-1030 T 88 5357/88 11801
941 Morgan Stanley International
London EC3P 3HB P.O. Box 132, Commercial Union Building, 1 Undershaft, Leadenhall Street General P 626-9221 T 88 12564 Trading P 283-8201 T8951621/2
945 Nesbit, Thomson Limited
942 The Nikko Securities Co. (Europe) Ltd.
London EC2V 7LJ Royex House Aldermanbury Square P 606-7171 T 88 4717
943 Nomura Europe N.V.
London EC2Y 5BL Barber-Surgeons Hall, Monkwell Square, London Wall P 606-7482/6 T 88 11478
946 Orion Bank Limited
London EC2Y 5JX 1 London Wall P 600-6222 T 88 3496 P 600-8000 Trading
947 Salomon Brothers International Ltd.
950 Samuel Montagu & Co. Ltd.
955 Scandinavian Bank Limited
960 Strauss, Turnbull & Co.
London EC2R 6HR 3 Moorgate Place P 638-5699 T 88 3201
962 Sumitomo Finance International
London EC2B 7EL 66 Gresham Street P 606-5645 T 88 11043
964 Vickers, da Costa & Co. Ltd.
965 S. G. Warburg & Co. Ltd.
London EC2P 2EB 30 Gresham Street P 600-4555 T 88 8476/88 3195

970 Westdeutsche Landesbank Girozentrale
London EC2N 2HB 21 Austin Friars P 638-6141 T 88 7984/5
975 White Weld Securities
977 M. S. Wein & Co. Inc. 88 8124
980 Wood Gundy Ltd.
990 Yamaichi International (Europe) Ltd.
London EC2Y 5AA St. Alphage House 2 Fore Street P 628-2271 T 88 7414

REGION 10 - UNITED STATES

10 Arnhold & S. Bleichroeder, Inc.
20 Drexel Burnham & Co. Inc.
30 Kidder, Peabody & Co. Incorporated
New York NY 10005 10 Hanover Square P 212 747 2000 T 233 496
32 Lehman Bros. Kuhn, Loeb Inc.
New York NY 10005 40 Wall Street P 797-4220 T 420 107
33 Lazard Freres & Co. T 420308 ITT
35 Merrill Lynch, Pierce, Fenner & Smith Inc. P 212 766 1212 T 420 938
60 Salomon Brothers
New York NY 10004 One New York Plaza P 212 747 7000 T 222 428
70 Shields Model Roland Incorporated
80 UBS DB Corporation T 620 727 WU
90 White Weld & Co. Incorporated T 423 948 ITT
005 The Arab Co. for Trading Securities S.A.K. Kuwait P.O. Box 22792 Safat Kuwait P 410 318 T 2791-ACTS

LEAD MANAGERS

1—Creditanstalt-Bankverein
15—Butler Bank
16—Credit Suisse (Bahamas) Ltd.
18—Gutzwiller Kurz Bungenur Securities
25—Union Bank of Switzerland (U/W)
28—Bankleumi Le-Israel
32—Banque de Bruxelles S.A.
35—Banque Lambert S.C.S.
38—Burnham & Co.
43—Kredietbank N.V.
46—Société Générale de Banque S.A.
57—Nesbit, Thomson Ltd.
64—Wood Gundy Ltd.
72—Privatbanker Aktieselskrab
77—McLeod, Young Weir & Co.
92—Banque Nationale de Paris
93—Banque de Paris et des Pays-Bas
94—Banque Rothschild
96—Banque de L'Union Europeenne
103—Crédit Commercial de France
104—Crédit Industriel et Commercial
105—Crédit Lyonnais
112—Lazard Frères & Cie
117—Société Générale
122—Western American Bank (Europe)
138—Commerzbank/Banco di Roma/Credit Lyonnais
140—Commerzbank AG
143—Deutsche Bank AG.
150—Wardley Ltd.
157—Pkbanken
159—Kuwait Int. Inv. Co. S.A.K.
162—Arab Financial Consultants
165—Union Bank of Switzerland (Securities) Ltd.
179—Westdeutsche Landesbank Girozentrale
183—Jardine Fleming & Co.
186—Banca Commerciale Italiana
189—Banca Nazionale de Lavoro
196—Banco di Roma
214—Williams Glyn & Co.
218—Orion Bank Ltd.
219—Kuwait Inv. Co. S.A.K.
221—Banque Europeenne du Luxembourg S.A.
222—Banque Générale du Luxembourg S.A.
223—Banque Internationale à Luxembourg S.A.
224—Banque Lambert, Luxembourg, S.A.
229—Investors Bank, Luxembourg, S.A.
230—Kredietbank S.A. Luxembourgeoise
234—UBS DB Corp.
235—Blyth, Eastman Dillon & Co. Int.
237—Algemene Bank Nederland N.V.
238—Amsterdam-Rotterdam Bank N.V.
245—Bank Mees & Hope N.V.
247—Nederlandse Credietbank N.V.
249—Nederlandsche Middenstandsbank N.V.
254—Pierson, Heldring & Pierson
256—Royal Bank of Scotland
272—Skandinaviska Enskilda Banken
273—Svenska Handelsbanken
287—Kuwait Foreign Trading Contracting & Investment Co.
292—Bankers Trust International Ltd.
297—Barclays Bank International Limited
298—Baring Brothers & Co.
315—Hambros Bank Ltd.
316—Hill Samuel & Co. Ltd.
321—Investment Bank of Ireland
323—London Multinational Bank Ltd.
326—Kleinwort Benson Ltd.
327—Kuhn Loeb Int.
328—Lazard Brothers & Co. Ltd.
332—Manufacturers Hanover Ltd.
335—Morgan Grenfell & Co. Ltd.
336—National Westminster Bank Ltd.
337—Nikko Securities Co. (Europe) Ltd.
338—Kuwait International Finance Co. SAK
343—Rabobank N.V.
346—Rothschild N. M. & Sons Ltd.
350—J. Henry Schroder Wagg & Co. Ltd.
352—Caisse des Dépots Consignations
353—Singer & Friedlander Ltd.
354—Sumitomo Finance International
359—Warburg, S. G. & Co. Ltd.
361—White Weld & Co.
375—Bank of America
378—Bear Sterns & Co.
386—Brandt (Wm.) Sons & Co.
389—Kuwait Financial Centre
396—Daiwa Securities & Co. Ltd.
397—Dean Witter International Inc.
399—Dillon Read & Co. Ltd.
401—Dominick & Dominick
402—Citicorp Int. Bank
404—Drexel Harriman Ripley
408—European Banking Company
411—First Boston Corp.
412—First Boston (Europe) Ltd.
413—Merrill Lynch, Pierce, Fenner & Smith Inc.
418—Goldman Sachs & Co.
421—American Express Middle East Devt.
425—Hayden Stone Inc.
431—Interunion—Banque
437—Kidder, Peabody & Co. Inc.
438—Blyth, Eastman Dillon & Co. Inc.
440—National Commercial Bank Saudi Arabia
441—Kuhn Loeb & Co.
445—Lazard Freres & Co.
447—Lehman Brothers
449—Loeb Rhoades & Co.
454—Merrill Lynch, Pierce, Fenner & Smith
456—Morgan & Cie International
458—Morgan Stanley & Co.
463—Nomura Securities Co.
479—Salomon Brothers
480—Banque Bruxelles, Lambert S.A.
481—Postipankki
485—Smith Barney & Co.
487—Barclays Merchant Bank Ltd.
488—Kidder, Peabody International Ltd.
500—White Weld & Co. Inc.
501—Yamaichi Securities
510—Salomon Brothers International Ltd.
511—Merrill Lynch Intnl. Bank Ltd.
516—Union De Banques Arabes et Francaises (UBAF)
517—Crédit Suisse-White Weld Ltd.
518—Arab Finance Corp.
525—Banque Arabe et Int. D'Invest
536—Loeb, Rhoades International Ltd.
555—Goldman Sachs & Co. Inc.
556—Jardine Fleming International Inc.
560—Jardine Fleming International Ltd.
585—B.A.I.I. (M/E) Inc.
588—Bank Hapoalim
594—Indo-Suez & Morgan Grenfell (Singapore)
599—Swiss Bank Corp. (Lux.)
606—First Boston AG
630—Barclays Koll & Co. N.V.
637—National Bank of Kuwait
639—Morgan Grenfell (Asia) Ltd.

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Why Canada must, and can, borrow

BY W. L. LUETKENS

DEMOCRACY IS all very well but for the need to hold elections; and floating exchange rates would be all very well, but for the danger that the currency will actually float. That might roughly be the Canadian situation as viewed in a moment of self-irony from the sumptuous rooms of the Minister of Finance in the neo-Gothic pile that is the House of Commons in Ottawa.

Ever since the Canadian dollar went into a spin at the end of 1976 following (but not because of) the victory of the Parti Quebecois in the Quebec provincial elections, Ottawa has been parroting that the Canadian dollar is allowed to float. In principle that may be true, but the official reserves within that period have declined from $5.8bn. to $3.6bn. It seems a lot of money to spend on merely letting the exchange rate float.

The story changed when Mr. Jean Chretien, the Minister of Finance, announced in February that he was drawing upon a line of credit in Euro-dollars set up last year. As a first step he took $200m., following up with the announcement that the federal Government would borrow $750m. by public flotation in the U.S.

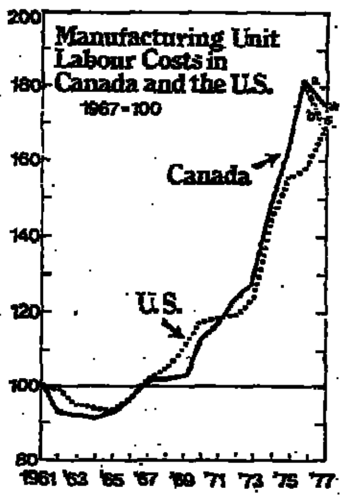
Does that portend a fundamental change of policy? Will Canada, once the pioneer of a floating exchange rate, now try to anchor it? Will an attempt be made to hold the exchange rate at almost any cost where it is now, within sight of U.S. cents 90? Will a high interest policy be adopted to shore up the external position?

Almost certainly the answer to these questions is "no." But this is where the needs of an electoral democracy come into the picture—and democracy being the sort of animal it is, can easily be contradictory. Everyone in Ottawa thinks an election is imminent. Admittedly, a year ago they thought so too, only Mr. Pierre Trudeau, the Prime Minister, fooled them. But he will have to go to the polls before the autumn of 1979, and quite plainly higher interest rates would not help him to win.

Economic sense really is on his side in this matter. Mr. Chretien has held out the hope of real growth of 5 per cent. this year (which is barely above potential), but most economists think he will be lucky to get close to 4 per cent. Business confidence is low, and investment plans in the private sector are unglamorous. It is not the moment to make money dearer, and an expansive budget may be indicated.

The implication is that the Canadian dollar will have to look after itself. But another decline would go down badly with the electorate and the Progressive Conservatives — who have a good electoral issue in the state of the economy—are hinting that they would be ready to tighten interest rates and keep the dollar within a defined range. The laugh is on their side this time: when the Liberals came to power more than ten years ago, one of their campaign stunts was to issue moth-eaten replicas of dollar bills to draw attention to a similar decline of the dollar then. They called them Diefenbucks in honour of the then Prime Minister, Mr. John Diefenbaker.

The pattern then seems to be reasonably clear: take the route of foreign borrowing in the hope that the exchange rate will stabilise, and thereby try to avert political damage. At the same time hold interest rates as far as possible. But as a half point increase in the discount rate on March 9 shows, rates will have to be kept appreciably above those in the U.S.



The C. D. Howe Institute, Montreal, prepared this table on the assumption of an exchange rate for the C$ of (a) 93 or (b) 90 U.S. cents.

CANADA'S BALANCE OF PAYMENTS

($Cbn.)	1977	*1978
Merchandise balance	+3.0	+4.2
Service balance†	−7.5	−8.6
Net transfers	+0.4	+0.4
Current account	−4.2	−4.0
Net long-term capital	+4.3	+5.0-6.0
Net short-term capital	−1.5	n.a.
Net capital flow	+2.8	n.a.
Change to reserves	−1.4	n.a.

* Estimates. † Includes interest and dividends 3.4bn. in 1977 and 4.2bn. in 1978.

Source: Bank of Montreal.

In the short run that policy will require luck and a slackening of the pressures on the U.S. dollar. Given the structure of Canadian trade (more than two thirds of which is with the U.S.) the dollar-dollar rate is really the only one that matters. But when the U.S. dollar is in difficulties, suspicion will rapidly concentrate on its little brother, which may get a worse battering as a result.

But there are factors at work which should attract the good fortune required. First of these is that the devaluation of the Canadian dollar from a high point of around $U.S.1.03 in November, 1976 has very visibly helped the trade account. The merchandise account, structurally in surplus, improved from a surplus of $1.1bn. in 1976 to $3bn. in 1977. This year's figure is confidently expected to be better. The tourist account, long a severe problem, should have improved as the exchange rate worsened. But last year's deficit of $1.1bn. in the first three-quarter was still very bad.

Rather more encouragingly, the dull performance of the Canadian economy with growth rates of 1.1 per cent. in 1976 and 4.9 per cent. in 1977, assisted by a system of wage and profit controls, has broken inflationary expectations. With almost 1m. unemployed in the country, trade unions are putting jobs before wage rises. The result has been that the unit labour costs of Canadian manufacturers which shot up during the early 1970s have begun to decelerate. The gap opened up between them and unit costs in the U.S., the main competitor, has closed because of that and the decline of the Canadian dollar.

If the U.S. keeps on the road of expansion, the prospect should be fair for a continued improvement of the merchandise account, and also of the tourist account. But that alone will not put Canada into the black. The current account is seriously depressed by the growing payments of interest and dividends to Canada's external creditors. This year the bill is expected to be close to $5bn. gross.

With figures of that order of magnitude. balance can be achieved only by a very long term and extremely painful restructuring of just about every aspect of the Canadian economy; or by further borrowing. The latter is the classic route and will no doubt be followed once again. Mr. Chretien's $750m. flotation is only an episode in that scenario.

The question therefore arises whether Canada is still a good risk. Canadian borrowers are given double or even triple A ratings in the U.S. Even Quebec with a Government that has been a bit hastily damned as "socialistic" can get the money it wants, though it has preferred to eschew public flotations. In any discussion of Canadian indebtedness it is worth noting that expressed as a proportion of GNP the gross external debt has dropped to about 50 per cent. from a peak of almost 70 per cent. in the early 1960s.

Given the difficulties of some of the borrowers upon the international scene it is reasonably safe to assume that Canada will get what it needs for years to come. The real question is whether it can be put to work constructively, since otherwise the day must come when the burden of interest will become too heavy. From that viewpoint, things do not look discouraging in the longer term.

Canada really seemed to be on the crest of the wave in the early 1970s when it profited from the raw material price boom, specifically in base metals, which has since collapsed. One of the things that have gone wrong is that the proceeds of that boom went into personal incomes, and, as it ended, left deep inflationary scars.

Something else that seemed to go wrong was the hope in the early 1970s that Canada's resources of gas and oil would ensure riches for decades to come. Subsequently it became the accepted view that these resources were already declining, and that the additional reserves to be found in the Arctic, off the Atlantic coast, and in the oil-bearing tar sands of Alberta were going to be too expensive to develop.

Just as the initial euphoria can now be seen to have been overdone, so was the subsequent despondency. One significant item of news will illustrate that. Shell, which a few years ago pulled out of the Syncrude scheme to exploit the tar sands is now ready to take a look at the possibilities of a similar $4bn. plant in the Alberta tar sands with new partners. Months and perhaps years will pass before there is a decision to go ahead. But things are moving again.

The Syncrude plant itself will be coming on stream later this year, and given the present world price of oil should be at any rate on the threshold of paying its way. These are not the only big energy schemes that will be producing jobs, employment for borrowed funds, and, eventually energy.

Commercial exploitation of the heavy oils in the Alberta-Saskatchewan border region is just around the corner; the giant James Bay hydroelectric scheme will be delivering 11,000 megawatts of power by the mid-1980s; and the Alaska Highway pipeline to carry Alaskan gas to U.S. markets, is also coming closer. In the latter case, admittedly, there are certain administrative delays. Expectations that borrowing (with its impact on external payments) will begin within 12 months could prove to have been premature.

Even the conventional gas and oil fields in Alberta have shown that there is life in the old dog yet. Oil has been found near Pembina in a new, deeper horizon, and the find could be big. In addition, Alberta actually has a surplus of gas which could be sold to the U.S. until the Alaskan line comes on. Canada produces 70 per cent of its home oil needs, and already exports large amounts of gas. Moreover, unless the world has been very radically transformed, one must suppose that base metals will one day recover.

In the long and medium term, therefore, Canada has very strong assets upon which to base an economy of resource-based exports and capital imports. In the short term the problems are obvious. Will the dismantling of wage and profit controls this year, the inflationary effect of devaluation, and the electoral spirit cause inflation to speed up again? A 9 per cent. rise of the consumer price index last year does give food for thought though a good deal of that increase must be blamed on cyclical patterns of farm prices that have more to do with nature than with economics.

These are the questions that have taken precedence in many Canadian minds over the future of Quebec. Even Mr. Rene Levesque, the Premier of that province, has been giving much emphasis of late to the need for people to live within their means, than to his dream of a sovereign Quebec. It fits into the pattern of a growing conservatism in the public mood. Mr. Trudeau has been trying to cash in on it by describing his position as extremism of the centre. But there is no doubt that he has a fight on his hands: his party, though still ahead of the Progressive Conservatives, has slipped badly in the polls. So whatever the long term assets, the next two years will have their share of unsettling uncertainties: a federal election, probably in 1978; a referendum on the future of Quebec, probably in 1979. Mr. Trudeau, Mr. Chretien, and the international banking fraternity, will have plenty of risks to weigh.

Letters to the Editor

The price of tea

From Mr. G. Kramers.

Sir,—The letter from Professor Hague of the Manchester Business School (March 7) suggests that the Price Commission, of which he is a member, is motivated more by prejudice than by the facts placed before them.

The Monopolies Commission investigated the tea trade and found no cause for complaint but Professor Hague states quite categorically that there is no true competition between the tea blenders. Although the Price Commission did not seek out and publish evidence in support of such a statement, Professor Hague's letter will be seized upon by interested parties in the producing countries to justify a ban on tea being sent to the London auctions and the result may well be that the consumer in this country has to pay more. Both the big blenders and smaller tea firms would then have to purchase all their supplies in the markets in India, Bangladesh, Sri Lanka and Africa.

The big upsurge in world tea prices occurred in March and April, 1977, when housewives in this country and abroad warned in the media of price increases on the way, stocked up and thereby aggravated the situation. The Price Commission is now talking the market down so that housewives are holding back. Producing countries will not be pleased and all may now be persuaded that they are on their own and that they must combine and restrict the quantities of tea that may be exported.

Anyone with business experience knows that even if a firm tries to base prices on higher replacement costs there is always a time lag in putting through any increase. He would also know that in a falling market, somebody, with no expensive stocks to use up, will sell at prices based on the lower market prices. If prices remain low, everyone in the trade, sooner or later, will be obliged to lower their prices even if they have to accept stock losses.

In the calendar year 1975 just over 2m. packages of tea were sold in the London auctions at an average of 62.36p per Kg. In 1976 some 1.8m. packages were sold at an average of 84.13p and in 1977 nearly 2m. at an average of 156.33p. Up to the end of February this year 140,528 packages had been sold at an average of 123.68p per Kg.

The Price Commission maintains that blenders have been able to make stock profits in 1977 by basing their selling prices on the replacement cost and that they should now accept stock losses by basing their selling prices on the current lower market prices.

In this connection one must remember that the Government introduced stock relief to help firms to finance stocks at the higher levels caused by inflation. As the tea blenders made stock profits in 1977 they will have been able to claim stock relief and the deferred tax on stock relief will now be helping them to finance stocks at the higher levels now obtaining. (An average so far in 1978 of 123.68 compared with 62.36 in 1975.) If market prices continue to fall they will need less working capital but if market prices go up again they will still need the deferred tax to help them to finance their stocks.

It is natural therefore that they should be cautious. If they accept stock losses too soon and then find that market prices escalate again, it is certain that neither the Price Commission nor the Prices Secretary will show any interest in their liquidity problems.

G. H. Kramers.
Partingdale Lodge,
Partingdale Lane,
Mill Hill, N.W.7.

U.K. publicity overseas

From the Deputy General Secretary, Institution of Professional Civil Servants.

Sir,—If the Government is really determined to use the breathing space provided by North Sea oil to regenerate our manufacturing industry and to attract the inward investment that can help to reduce our high unemployment, can anyone explain why it also appears to be steering a course which means that progressively less resources are available to publicise British affairs overseas?

Over the years there has been a steady erosion of information work undertaken by British Embassies and missions. Between the Duncan Report of 1969 and the end of 1975 there was a cut of 40 per cent. in information staff overseas. This trend has continued and there are now only some 83 U.K.-based information officers spread over nearly 140 stations.

We now learn that the British Ambassador in Washington has recommended that the staff of New York should be cut by half; this in our biggest and most competitive market. Meanwhile, Ministers are no doubt considering what course of action they should adopt on the Central Policy Review Staff report which recommended that information work should be cut by two-thirds.

Thus we have a situation in which at one end of the pipeline the Government is ready to devote hundreds of millions of pounds to supporting industry and its product development, while at the other end it is prepared to contemplate savage cuts in overseas information work at an annual saving which can only be, by comparison, peanuts. The total budget for overseas information is already tiny enough, in all conscience.

During the continuing world recession it remains of paramount importance to continue explaining British developments to the world's Press, radio and TV against the day when growth is resumed. I am sure our competitors will view with delight any diminution in our publicity efforts and, of course, such sophisticated services cannot be rebuilt overnight. It would be an act of folly for the Government to save pennies if the result is a falling away of support for Britain's export drive on which our future depends.

Cyril Cooper.
Northumberland Street, W.C.2.

Transport to Heathrow

From Mr. A. Lucking.

Sir,—Lady Burton has underlined (March 6) the important problem of baggage transfer between the Heathrow Underground and taxis. Surely it would not be difficult for London Transport to mark on all its maps and posters the stations where the transfer is easy: and it is to be hoped it will do this as swiftly as possible.

It is clear, however, that the Underground service is very popular. The traffic on the buses to the Cromwell Road terminal has fallen by more than a half, and the service must be incurring unacceptable losses. Yet this route is of continuing importance to those who cannot face the Underground crush with heavy baggage, as the young are doing! Unhappily, there is no sign of the imaginative reshaping of the bus service that is needed to make it more attractive to passengers, and hence profitable to British Airways and London Transport.

To maintain the vital ten-minute frequency of service, each bus should circulate round all three terminals at Heathrow, thus adding new traffic, from number three. To offer more at the City end, the buses should call at, say, three "airport oriented" hotels. People in a hurry can and will use the Underground anyhow. This is the system used in other cities, notably Chicago, where one can go directly to 15 hotels and a station. I and others find the Chicago service quite excellent, and its introduction in London is long overdue.

A. J. Lucking.
Flat 20, 17, Broad Court,
Bow Street, W.C.2.

The debate on house prices

From the Chairman, Council of the Building Societies Association.

Sir,—Under the heading of "King Canute strikes again" Mr. Joe Rennison (March 4) in an otherwise perceptive article on the current debate on house prices, makes a totally inaccurate and misleading statement about the Government loan to building societies in 1974. In order to avoid a repetition and for the sake of historical accuracy, I would appreciate the opportunity of putting the record straight.

The facts were that early in 1974 the Bank minimum lending rate had risen to 13 per cent. which, at that time, was the highest ever. Interest rates generally had risen and in the normal course of events building society rates would have been increased correspondingly. The Government, however, was deeply concerned about the rate of inflation in the economy and because of the impact of mortgage interest on household budgets, asked the societies not to increase the mortgage interest rate. The societies pointed out that to agree to this would mean an inevitable reduction in the availability of mortgage funds with an adverse effect on the house building industry.

The Government then made £500m. available by way of loans for on-lending by building societies provided that the mortgage rate was not increased. These loans were temporary and largely repaid within 12 months. There was no question, as wrongly stated by Mr. Rennison, of building societies "begging for a loan in April 1974"—quite the reverse.

R. C. Stow.
14, Park Street,
Mayfair, W.1.

Law and order

From the Prospective Conservative Parliamentary Candidate, Islington North.

Sir, — I don't know whether to laugh or cry over the contribution (March 8) of Mr. Ron Hayward, Labour Party General Secretary. However well or otherwise his views may go down in the suburban marginals, they will certainly be greeted with a loud raspberry in Labour's traditional inner-city pocket boroughs like Islington.

To his question: "How many people are afraid of opening their doors at night?" one need look no further than the local Divisional Chief Superintendent's recent public warning to pensioners not to go out at night. No doubt Mr. Hayward would casually dismiss this as one more example of the so-called politics of fear. A pensioner in Islington might be justified in thinking differently.

Mr. Hayward's views on Mrs. Thatcher's supposed race scare are even more astonishing. In the May borough elections our own immigrant candidates (selected on merit, incidentally, not by quota) will outnumber the local Labour Party's by a factor of three. This does not alter our collective awareness of the public's often-justified fears about the level of immigration. How could it be otherwise, when Inner London Education Authority statistics (report of November 8, 1977) show that in 1975 no less than 49 per cent. of all live births in Islington were to mothers whose birthplace was outside the U.K., 26 per cent. being directly attributable to the New Commonwealth?

Against this background, Mr. Hayward's trite recital of the proportion of coloured residents in the U.K. as a whole is both meaningless and unconstructive. I am only surprised that it should be necessary to point this out to him.

But then, Mr. Hayward was all too obviously intent on vacuous party political point-scoring than on adding to our stock of wisdom about law and order or immigration. It is usually easy to sympathise with your columnist Mr. Joe Rogaly as he painfully struggles to dust down in public his fashionable "liberal" shibboleths of yesteryear. I find it less easy to forgive the calculated pseudo-ignorance of Mr. Hayward.

Neil Kerr.
(Leader Islington Borough Conservatives).
18a, Furlong Road, N.7.

Political points

From the President, West Stirlingshire Conservative Association.

Sir,—May I beg the courtesy of your columns to repudiate some of the wilder statements of Mr. Hayward in his letter of March 8. Each time Mrs. Thatcher lifts a corner of the Labour rug to reveal issues that Labour would prefer to be left undisturbed and unnoticed there are howls of anguish from Mr. Callaghan and his colleagues—now we have Mr. Hayward thirsting for Mrs. Thatcher's blood.

Immigration? It was Mr. Callaghan, who does not believe in the "numbers game," who was able to tell the Indian Parliament that there are to-day more from the Indian sub-continent dwelling in the U.K. than there were British dwelling in India at the height of the rule of the Raj. The point is that Mrs. Thatcher has spoken on this issue only in the most conciliatory terms — all the emotive terms such as "hatred," "swamp," etc. have been used by her Labour critics in their attempts to villify her. The issue was never put to the inhabitants of this country — and it should have been since it is a matter that touches every indigenous Briton. It is not too late. Labour can, and feeling as they do, should make the matter a plank of their electoral platform.

Law and order? If Mr. Hayward claims more is being spent on combating rising crime it is surely because his Party's Government has created the need for increased spending—Shrewsbury and Grunwick, for example, are not places, but events where the rule of law was challenged. Thankfully, in the end, the law was upheld, but for how long? In an age where pilferage is regarded as "perks" in some circles, anything can happen.

Inflation is not under control and will rise again with the injection of all the unearned supposedly counter inflation wage increases of recent months. Production is stagnant, if not falling. Unemployment is likely to rise. Only the balance of payments looks good and is due to Divine intervention in the shape of North Sea oil whose temporary bounty is open to whoever occupies No. 10, be it Mr. Callaghan, Mrs. Thatcher or even Mr. Steel.

No party has done more in four short years to divide this country and to reduce its standards in almost every direction than has the party of which Mr. Hayward is General Secretary. Previous Labour governments by and large have governed across the national board. Not this one, and we have Mr. Joel Barnett's word for it when he implied in a recent broadcast that Labour governs for Labour only and that the rest are also-rans. Though Labour may make it as difficult as they can for Mrs. Thatcher it is my guess that she will not desert Conservative principles or standards, and that she would encourage the old virtues of thrift, honesty and hardwork in any new administration.

David R. Henderson,
Dunmore House, Fintry,
Stirlingshire.

Index-linked pensions

From the Managing Director, Harris Graham and Partners.

Sir, — The continuing controversy concerning the indexation of civil servants' pensions, to which Mr. Gilley added his voice on March 7, is bedevilled by a lack of suitable figures, an amazing situation for a subject of such an actuarial nature.

The main figure being bandied about — the 1¾ per cent. of pay to cover indexation of civil servants' pensions — is, apparently, a net figure and reflects differences in other areas apart from indexation. The indexation element has not been identified as a separate item.

Against this background it is surprising that no reference seems to have been made in the Press of the extremely interesting figures quoted in paragraph 30 of the report by the Government Actuary on the draft of the Social Security (Contributions, Re-rating) (No. 2) Order 1977 (Cmnd. 7036).

This paragraph compares the Government Actuary's estimates of the cost of providing a guaranteed minimum pension through a funded pension plan for a contracted-out employee (7 per cent. per annum) with the corresponding cost for a self-employed person (12¾ per cent.). The main difference between these two situations is that in the former case the 7 per cent. per annum secures a fixed pension (since the contracted-out member will, in fact, receive post-retirement indexation, financed through a State scheme on the guaranteed minimum pension), whereas the 12¾ per cent. per annum relates to the cost of an inflation-proofed pension.

Thus, on this basis, the cost of indexation is calculated as some 80 per cent. of the cost of providing the main pension benefits. Taking the cost of the benefits under a typical private pension plan of, say, 18 per cent. of pay, the cost of indexation on the Government Actuary's basis would seem to be around 14 per cent. of pay for such a plan.

M. D. Evans.
30, Queen Anne's Gate,
Westminster.

To-day's Events

GENERAL

Dr. David Owen, Foreign Secretary, meets Mr. Joshua Nkomo and Mr. Robert Mugabe, Rhodesian Patriotic Front leaders, in London.

European Central Bankers begin two-day meeting in Basle.

Negotiations resume on national engineering pay agreement.

British Steel Corporation craftsment meet in Sheffield to consider agreement on closure of loss-making plants between BSC and Iron and Steel Trades Confederation.

New session of European Parliament opens, Strasbourg (until March 17).

The Queen and Duke of Edinburg attend Commonwealth Day service in Westminster Abbey.

Second in series of three Cantor Lectures on the theme The Creation of Wealth is given by Mr. R. H. Grierson (General Electric Company), who speaks on "The Mirage of the State as Entrepreneur" at the Royal Society of Arts, John Adam Steet, W.C.2. Sir Arthur Knight, chairman, Courtaulds, presides.

Manchester Chamber of Commerce trade mission to Hungary begins (until March 17).

Sir Peter Vanneck, Lord Mayor of London, and his Sheriffs attend Pewterers' Company dinner, Goldsmiths' Hall, E.C.2.

PARLIAMENTARY BUSINESS

House of Commons: Defence debate. Motion on the Fiduciary Note Issue (Extension of Period) Order.

House of Lords: Suppression of Terrorism Bill, third reading. Housing (Financial Provisions) (Scotland) Bill, second reading. Civil Aviation Bill, committee.

OFFICIAL STATISTICS

Retail sales (February, provisional).

COMPANY RESULT

Rolls-Royce Motors (full year).

COMPANY MEETINGS

See Week's Financial Diary on Page 30.

COMPANY NEWS

Securicor maintaining progress

IN HOUSE returns for the first months of the current year at Securicor, indicate that progress has continued. Mr. Peter Smith, the chairman, says that there are grounds for optimism that prosperous growth will be maintained.

Five of the company's nine European subsidiaries are now consistently in profit, he says. Also improved trading is expected to bring the French subsidiary into profit in 1977-78, except for the new major branch at Courbevoie, Paris, which only began trading on January 1.

Negotiations to refinance Securicor's short-term European bank borrowings with a medium-term secured loan are at an advanced stage, reports Mr. Smith.

Three recently-acquired businesses, Bedwas Bodyworks in South Wales, Richmond Hill Hotel and Chiswick Garage, the West London Ford main dealer, are all expected to contribute to profit in the current year, he says.

Taxable profit for the year to September 30, 1977, was up by 32 per cent. at £4.5m. and turnover was up 23 per cent. at £101m.—as known. With fixed assets £7.5m. up at £20.6m., there was some reduction in net cash balances, but the Group still has adequate cash reserves for its continuing growth, the chairman comments.

Securicor Parcels Service is currently the largest contributor to turnover, while Securicor Cleaning moved into trading profit during 1977.

The 1976-77 accounts have been delayed.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: C. H. Beazer, Dawnay Day S. Green Properties, I. D. and S. Rivlin.

Finals: Isle of Man Enterprises Rolls-Royce Motors.

FUTURE DATES

Interims—	
Bluebird Confectionary	Mar. 17
Scottish Metropolitan Property	Apr. 4
Second City Properties	Mar. 14
Southern Malayan Tin Dredging Berhad	Mar. 28
Trafford Park Estates	Mar. 15
Finals—	
Bristol Stadium	Apr. 14
Cartwright (R.)	Mar. 30
Church	Mar. 17
Collins (William)	Mar. 16
Guardian Royal Exchange	Apr. 12
Manchester Garages	Mar. 15
Montfort (Knitting Mills)	Mar. 22
Pearl Assurance	Mar 29
Sharpe and Fisher	Mar 16
United Biscuits	Mar 14

Britannic lifts bonus

The Britannic Assurance Company is lifting its reversionary bonus for 1977 on Ordinary branch with-profit assurances to £4.40 per cent. of the sum assured from £4.20 per cent. in 1976. The bonus rate on with-profit annuities is improved to £5 per cent. of the basic annuity from £4.50 per cent. previously. In addition, terminal bonuses will be paid on death or maturity claims on scales ranging from 10 per cent. to 65 per cent. for each year's premium paid before 1973. For deferred annuities the rate will be 30 per cent. of the annuity including attaching bonuses.

On industrial branch contracts, the rate is lifted to £3.60 per cent. of the sum assured from £3.50 per cent. There will also be an additional bonus added on death or maturity provided not less than 15 years' premiums have been paid, so that total bonuses will be at least £52 per £100 sum assured.

Neil & Spencer sales grow

SALES FOR the first quarter of the current year at Neil and Spencer Holdings, show satisfactory progress and following the acquisition of Spencer Jaxons the directors expect a considerable increase for the full year.

Provided margins can be maintained and present economic conditions continue, the company will make good progress in 1978, Mr. J. J. Boex, the chairman, says in his annual statement.

He also hopes for better performance overseas. Last year direct exports and sales by overseas subsidiaries totalled £5.14m. (£3.98m.) to again represent 51 per cent. of group turnover.

For the year to November 30, 1977, sales advanced to £10m. (£7.79m.) and taxable earnings jumped to a record £716,921 (£418,537)—as reported on March 7. The net dividend is raised to 1.9965p (1.7875p) per 10p share.

Net liquid funds at year end were up £501,169 (£290,547) with bank loans and overdrafts down at £326,884 (£647,307).

In December, the group, which makes machinery for the laundry and dry-cleaning industries, acquired Baker Perkins Jaxons, laundry machine maker, and has changed its name to Spencer Jaxons.

Since year-end new management has been introduced into Pinnacle Products in the U.S. which will in future trade as Spencer America. This company has been relocated at St. Louis, Missouri, and 33 per cent. of its shares are to be made available to its senior executives.

Meeting, Dorking, Surrey, on April 3 at noon.

Optimistic outlook by IDC

SUBSTANTIAL losses have been incurred by IDC Group on a large project in the north west. Industrial relations problems have resulted in considerable delays on the contract which should be completed by mid-1978. However, large provisions have been made in the 1976-77 accounts to ensure that the project will not be a drain on the group's future financial resources, Mr. Howard Hicks, the chairman assures members.

The current year is progressing well for the company with enquiries at a high level and a satisfactory number of confirmations which he hopes will result in a substantial recovery towards past levels of profitability.

Providing the improved economic situation holds, the future can be viewed with optimism he says.

For the year to October 31, 1977, on turnover lower at £21.73m. (£22.5m.) taxable profit fell to £426,059 (£1.02m.)—as reported on February 1. The net dividend is raised to 8.9801p (8.3614p) per 20p share.

Net liquid funds at year end were down £312,000 (up £164,000) and the bank overdrafts stood lower at £1.65m. (£2.08m.).

Mr. Hicks points out that the directors consider it would be wrong to change the company's accounting basis in respect of its major activity, the design and construction of substantial projects. The proposals on accounting for long term contracts contained in SSAP number nine have, therefore, not been adopted.

Activities abroad are continuing with further contracts secured in Holland, Belgium and the Middle East and the directors believe that these will become an ever increasing part of the group's operations.

Meeting, Stratford-upon-Avon, on April 4 at 12.45 p.m.

ISSUE NEWS AND COMMENT

Saga Holidays offer for sale at 105p

On Thursday the application list opens for an offer for sale by County Bank of 2.1m. 20p shares in Saga Holidays, the specialist off-season holiday tour operator.

The offer is pitched at 105p per share, at which price the shares stand on a prospective p/e of 7.1 and yield of 9.74 per cent.

This is the first offer for sale of a company coming to the market since last September when South Crofty—the tin mining company—was floated off by Saint Piran.

Of the 2.1m. shares on offer, 1,525,000 shares are being sold by existing family shareholders and 575,000 are new shares. After deducting the expenses of the offer amounting to £230,000 a total of £373,750 will be raised for the company.

Saga is unlike most tour operators in that it caters exclusively for people aged over 60 and specialises in off-season holidays.

The company was started by its present chairman Mr. Sidney de Haan, who devised it as a way of filling up his Folkestone Hotel during off-season periods. By 1960 Mr. de Haan's hotel business was sold so that he could devote his time to the fast growing travel operation.

Though it is one of the largest tour operators in the U.K. it does a large proportion of its business direct with its customers rather than through agents. Approximately 70 per cent. of its bookings come direct from customers.

Its marketing techniques include advertising in the Press and issuing brochures but advertising costs have never amounted to more than 3 per cent. of turnover.

It relies to a large extent on contacts with clubs and organisations associated with the elderly, plus contact via the Saga Club. The club's newsletter has a circulation of over 500,000.

Since 1968 the company has developed into overseas holidays and cruises. In 1973 U.K. holiday turnover amounted to 72 per cent. of the total with overseas accounting for just 10 per cent and cruises 18 per cent. In the year to June 1977 the U.K.'s proportion accounted for a third with overseas rising to 43 per cent. and cruises 20 per cent.

Expansion at Saga has been dramatic in recent years. Over the five years from June 1973 to June 1977 the number of holidays taken has increased from 39,060 to 102,050, turnover has risen from £1.31m. to £13m. and pre-tax profits have increased from £89,000 to £1,316,000.

Within that profit growth interest on deposit has played a significant part. In 1972-73 interest amounted to £24,000 and by 1976-1977 interest climbed to £633,000.

In the half year to last December turnover amounted to £8.9m. and pre-tax profits were £792,000.

The directors are forecasting profits for the full year to next June of not less than £1.85m. On this basis they expect to pay a final dividend of 4.5p next November. Had the company been public for a full year they would have paid a dividend of 6.75p per share. On the basis of the above forecast the dividend cover is 2.19 times.

The number of holidays taken with the group in the year to next June is expected to be 190,000. The year after the directors are expecting more than 250,000.

The balance sheet dated last December 31 adjusted to show the effects of the issue show net tangible assets of £1.79m. However this figure excludes cash on deposit with local authorities amounting to £4.969m. which covers advance bookings by customers. Saga has use of the customers money received for holidays for about four months on average. There is a total of £1.85m. shown as the company's "own" cash.

● comment

Saga's recent record is certainly impressive and judging by the comments for prospects beyond the current year there is still plenty of room for growth. The company is already talking in terms of an increase of at least a third in holidays taken in 1978-1979 and though profits growth may not follow suit, it should continue to be impressive. Also as customers trade up—and this is confirmed by the growing number of overseas holidays—Saga's profits should improve if only by virtue of the higher interest received on deposits taken. Apart from the near £5m. it has from customers' deposits earning interest, the company will have £2¾m of its own cash after the offer. Any expansion of the hotels will be limited and will be mainly taken up by its own tours. So there is little fear of its increasing its vulnerability to any great extent on that count. Overall Saga seems a sound growth company, and with a p/e of 7.1 and yield of 9.7 per cent., there should be a good response to the offer.

Offer for sale, Page 31

Strong £ may hit export profits at Abel Morrall

THOUGH THE current year must be viewed with a measure of caution for Abel Morrall, Mr. S. V. Weber, the chairman, says he believes the company will produce satisfactory results.

He points out that the upwards revaluation of sterling has reduced the profitability of the company's exports without producing a compensatory cut in raw material costs. These factors, which only influenced the results of the latter part of 1977, are likely to show their full effect this year. Exports last year were up from £2.45m. to £3.12m.

Taxable profit for 1977 improved to £709,736 (£674,231) on sales ahead from £5.71m. to £7.34m.—as reported on March 7. The net dividend is raised to 2.419p (2.166p).

Net liquid funds, represented by short-term borrowings, were down £688,157 (up £42,691) at year end and bank overdrafts were higher at £1.3m. (£860,634).

A record amount of £476,864 was invested in plant during the year to provide expansion and improvement in productivity, the chairman says. At year end contracts for future capital spending amounted to £35,395 (£41,835) and further £147,200 (£162,000) had been authorised but not contracted.

A new subsidiary Abelcraft, established to make and distribute a range of products for the handicraft market, got under way during the year and is expected to show satisfactory results by the end of 1978.

British Needle Company increased sales and profit and made good progress in the development of its organisation and technology. Because of a lack of space here and at Abel Morrall additional premises have been leased to provide for medium term growth and development.

Aero Display Fittings achieved an advance and an extension to its premises is expected to be complete by the end of March early April.

Meeting, Redditch, on April 4 at 3 p.m.

● **FRENCH INTERESTS**

Heavy going for U.K. companies

FINANCIAL TIMES REPORTER

The outcome of the French elections will be of vital interest to a large number of U.K. companies. France is the sixth largest area for investment by U.K. companies in the world, and the second biggest in Europe, after West Germany. Net assets attributable to the U.K. amounted to £460m. at the end of 1974, according to the census of overseas assets.

It is also one of the least profitable areas for U.K. investment. The return on U.K.-owned net assets amounted to just 8.8 per cent. in 1974, less than half the figure recorded in the Netherlands, and the position seems to have deteriorated considerably since then.

In 1975, U.K. interests were in aggregate losing money in such diverse sectors as food, drink and tobacco, agriculture, construction and property. More recently, individual company reports have been almost uniformly gloomy about the performance of French subsidiaries, with price controls and a sluggish economy mainly to blame.

Loss making

In the oil business, for instance, BP has indicated that its French losses in 1977 could exceed Frs.100m. This was also Shell's most difficult market last year, along with Germany.

Re-organisation and rationalisation has been a common theme. In the foods industry, J. Lyons has been obliged to take "vigorous corrective action" in an attempt to make an adequate return on its Reybler meat company. Brooke Bond's grocery operation, which has more often been in the red than not in recent years, has undergone a drastic re-organisation.

Courtaulds shut down warp and weft knitting operations in France during 1976-77, and more recently announced that it was hoping to sell a loss making wool weaving and spinning company. Hoover has slimmed down its workforce in recent years, and so has GEC—the latter in response to the "disarray" of the French washing machine industry.

Other examples in a seemingly endless list include Marley, which has merged its roof tile business with one of its main competitors after a period in which the French industry had been working at less than 60 per cent. of capacity. Bellway Holdings is closing its housebuilding operations after seeing its overall profits in 1976-77 all but eliminated by losses in France of £1.7m.

All this marks a big change from the heady days of the early 1970s, when the prospect of Common Market membership lured a stream of U.K. companies on to the continent for the first time. Net direct investment in France by U.K. companies (excluding oils) jumped from £18m. in 1969 to a peak of £119m. in 1973.

This enthusiasm was not confined to the manufacturing sector. U.K. property developers were falling over themselves to get into France. They are still limping sadly back: Intereuropean Property, for instance, had bleak news for its shareholders earlier this year about the costs of its French venture.

Some companies, of course, have a happier story to tell. Although the Burton Group must regret the day it decided to cross the channel (it has consistently lost money in France) Marks and Spencer is pressing ahead with expansion in Paris even though losses at its Lyons store mean that its continental interests are still in the red. Maybe it is inspired by the example of Great Universal Stores, which has made good progress in recent years with its 100,000 Chemises and Burberrys retail operations.

Other success stories include Rowntree Mackintosh with Chocolat Menier, or Reckitt and Colman which has been expanding in detergents and which now generates an eighth of its profits in the EEC excluding the U.K. But even here margins have been coming under pressure as a result of price controls, and the same applies to BPB Industries, which made a seventh of its overall profits in France during 1976-77, but saw a profits decline there of nearly two-fifths in the latest half-year period.

Most successful

Although Dunlop lost £2m. or more in France during the first half of 1977—knocking its pre-tax total to £31.6m. two of the most consistently successful U.K. groups in France come from the motor components sector. This market has been extremely profitable for Wilmot Breedon—it generated a return of over 35 per cent. on its total French funds in 1976—and it forms a major part of the company's overall business. Three-fifths of Wilmot's profits came from the Continent in 1976, and the proportion may have been even higher last year.

On a much larger scale, Lucas Industries has been expanding rapidly in France during recent years. In January it announced plans to increase its holding in Ducellier from 49 to 100 per cent. at a cost of $26m. As a result, it will have a significant presence in the market for electrical components, as well as brakes and diesel injection equipment. Its sales in France now run at an annual rate of about £200m., and it has approximately 15,000 French employees.

Currently working on plans for further expansion of its diesel business, this is one group at least which does not appear to have been deterred by the current political and economic uncertainties in France.

Greenfield Milletts expansion

During the current year the directors of Greenfield Milletts, the retail and wholesale leisurewear group, have earmarked £1m. for further expansion and Mr. R. I. Greenfield, the chairman, says that with several new branches under negotiation and with some existing ones to be considerably enlarged, they plan to double the size of the company in the next five years.

Members are told in his annual statement that growth is foreseen in the group's leisurewear and camping sector for years to come and the directors are making plans accordingly. As part of this plan, both the retail and wholesale divisions have each doubled their warehouse capacities, one in Feltham and the other at Brentford.

Mr. Greenfield feels that prospects are excellent and explains that as more leisure time becomes available to the general public, so the demand for the group's leisurewear and camping goods becomes greater.

He is optimistic that the current year will see another 12 months of good progress.

As reported on March 8, pre-tax profit expanded from £745,723 to a record £954,860 for the year to October 31, 1977, on turnover of £10.33m. (£7.72m.). The dividend total is lifted to 1.75p (1.09725p) net on capital increased by the May, 1977 rights issue.

The chairman states that the retail division had an extremely successful year and all 50 branches, including the nine new ones, are trading satisfactorily. The group has extended its range of tents and camping equipment, and has further widened its range of leisurewear, which includes anoraks, jeans, leather jackets, duffle coats, hiking boots and protective clothing.

Meeting, Abercorn Rooms, E.C., April 4 at noon.

FT Share information

The following security has been added to the Share Information Service appearing in the Financial Times:—

Cableform (Section: Electricals)

Foreign & Colonial sees revenue rise

THE PRESENT intention of the directors at Foreign and Colonial Investment Trust Company is to maintain and, at some stage, to increase the company's stake in the U.S. Despite the slowdown in economic recovery there investments that are intrinsically cheap can be found and American exports are now very competitive, Mr. H. C. Baring, the chairman tells members.

A more cautious attitude has been adopted towards Japanese investments since corporate levels are likely to be lower because of consumer resistance and a slowdown in exports resulting from the strength of the yen.

During 1977 some £1.75m. was taken out of equities in Japan. Half of this was invested in yen bonds and half retained on deposit pending reinvestment.

The chairman expects a further increase in the company's revenue in the current year but he points out that it will be 1979-80 before any income will be received from London and Scottish Marine Oil, now the company's largest investment.

An analysis of total net group assets at the end of last year shows in percentages: U.K. 51.8 (36.7); U.S. 24.8 (32.1); Far East 13.8 (19.3); Europe 4.3 (5.3); Africa 1.4 (1.8); Australia 1.3 (1.9); Canada 1.6 (same); and Brazil 1 (1.3).

The net effect of changes in foreign loans during the year was to increase overseas loans by about $14m. and about $8.5m. of premium currency was sold for re-investment in the U.K. The result of these changes and the fall in dollar premium was that the premium content of the company's investment was cut from 37p to 20p per share, Mr. Baring says.

SE to test new systems for options

By Keith Lewis

The Stock Exchange is shortly to carry out a series of dummy runs to test the dealing and settlement systems of the proposed new London market in traded options.

The tests, which are a prelude to this market becoming fully operational early next month, will be held in the hours after the Stock Exchange officially closes at 3.30 p.m. and are scheduled to start within the next two to three weeks.

Mr. Dundas Hamilton, head of the Options Committee and a former deputy chairman of the Stock Exchange, said yesterday that the purpose of the trials was to highlight in advance "the inevitable teething problems of any new system." He denied that there had been any delay in getting the options market under way, but emphasised that it was in everyone's interests to develop an effective market before trading began, and not afterwards.

Mr. Dundas Hamilton said that there was no reason to suspect that the original target of early April would be missed, though the Committee has throughout not given a specific date for the opening of the options market.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	9½	½-year	250	4-7
Kirklees (0484 22133)	10	½-year	500	4-6
Poole (02013 5151)	9¼	½-year	500	4
Poole (02013 5151)	9¾	½-year	500	5-7
Reading (0734 592337)	10	½-year	1,000	5-7
Redbridge (01478 3020)	10	½-year	200	5-7
Southend (0702 49451)	9½	½-year	250	3
Thurrock (0375 5122)	10	½-year	300	4
Thurrock (0375 5122)	10¼	½-year	300	5-7
Wrekin (0952 505051)	8	½-year	500	2
Wrekin (0952 505051)	10	yearly	1,000	4

Pending dividends timetable

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
Amal. Metal	Mar. 29	Final 9.187
*Anglo-American Corpn. SA.	Apr. 20	Ints. due
APV	Mar. 31	Final 8.6361
*Armstrong Equip.	Mar. 21	Int. 0.735
AP Cement	Mar. 22	Final 5.7744
Babcock and Wilcox	Apr. 13	Final 1.0656
Bank of Ireland	May 9	Final 11p
*Barlow Rand Group	Mar. 16	Finals due
*Bell (Arthur)	Mar. 15	Final 3.15
Beecham	Apr. 20	Final 3.21962
BPM	Apr. 27	Int. 0.6575
Blackwood Hodge	Apr. 13	Final 2.15
*Booker McConnell	Mar. 20	Final due
*Law Land	Mar. 29	Final 7.317
Lead Inds	Apr. 25	Final 3.26
Legal and Genl. Assce.	Mar. 30	Final 3.249
*Liverpool Daily Post	Mar. 23	Final 4.092
London Brick	Mar. 31	Final 1.7576
*Low and Bonar	Mar. 30	Final 6.5
*Lucas Inds	Mar. 29	Int. 3.123
Marks and Spencer	Apr. 28	Final 2.48
Merchants Trust	Mar. 14	Final 1.475
Mettoy	Apr. 28	Final 0.95
Minet Hldgs	Apr. 28	Final 1.419
Morgan Crucible	Apr. 13	Sec. int. 1.974
*Pearl Assce.	Mar. 29	Final 7.41771

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Public Works Loan Board rates

Effective from March 4

* Non-quota loans B are 1 per cent. higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Equal repayments.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ◆ Quoted price subject to premium for U.K. residents.

BASE LENDING RATES

A.B.N. Bank	6½%	■ Hill Samuel §	6½%
Allied Irish Banks Ltd.	6½%	C. Hoare & Co. †	6½%
American Express Bk.	6½%	Julian S. Hodge	7½%
Amro Bank	6½%	Hongkong & Shanghai	6½%
A P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
Henry Ansbacher	6½%	Keyser Ullmann	6½%
Banco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
Bank of Credit & Cmce.	6½%	Lloyds Bank	6½%
Bank of Cyprus	6½%	London & European	8 %
Bank of N.S.W.	6½%	London Mercantile	6½%
Banque Belge Ltd.	6½%	Midland Bank	6½%
Banque du Rhone	7 %	■ Samuel Montagu	6½%
Barclays Bank	6½%	■ Morgan Grenfell	6½%
Barnett Christie Ltd.	8½%	National Westminster	6½%
Bremar Holdings Ltd.	7½%	Norwich General Trust	6½%
Brit. Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
Brown Shipley	6½%	Rossminster Accept'es	6½%
Canada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
Capitol C & C Fin. Ltd.	9 %	Schlesinger Limited	6½%
Cayzer Ltd.	7 %	E. S. Schwab	8½%
Cedar Holdings	8 %	Security Trust Co. Ltd.	7½%
Charterhouse Japhet	6½%	Shenley Trust	9½%
Choulartons	6½%	Standard Chartered	6½%
C. E. Coates	7½%	Trade Dev. Bank	6½%
Consolidated Credits	6½%	Trustee Savings Bank	6½%
Co-operative Bank *	6½%	Twentieth Century Bk.	7½%
Corinthian Securities	6½%	United Bank of Kuwait	6½%
Credit Lyonnais	6½%	Whiteaway Laidlaw	7 %
The Cyprus Popular Bk.	6½%	Williams & Glyn's	6½%
Duncan Lawrie	6½%	Yorkshire Bank	6½%
Eagil Trust	6½%		
English Transcont.	8 %		
First London Secs.	6½%		
First Nat. Fin. Corpn.	8½%		
First Nat. Secs. Ltd.	8 %		
Antony Gibbs	6½%		
Greyhound Guaranty	6½%		
Grindlays Bank ‡	6½%		
Guinness Mahon	6½%		
Hambros Bank	6½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½%, and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

INTERNATIONAL COMPANY NEWS

Setback at East Asiatic

BY HILARY BARNES — COPENHAGEN, March 12.

THE EAST ASIATIC Company, the Danish based trading and industrial group, announced a decline in group pre-tax profits from Kr.484m. to Kr.337m. ($60m.) although sales rose from Kr.20bn. to Kr.23.1bn. ($4.1bn.). Prifits after taxes were down from Kr.269.3m. to Kr.163m. ($29.1m.). The Board recommended an unchanged 12 per cent. dividend.

The decline in net profits was influenced by a Kr.40m. increase in financing costs, which rose to Kr.370m., and net extraordinary expenditure of Kr.45m. compared with a net extraordinary income of Kr.33m. in 1976. This item in 1977 included foreign exchange losses.

The company said the result was reasonable in the light of difficult world trading conditions and the unpredictable fluctuations in exchange rates. The group consists of 183 companies of which 156 are domiciled outside Denmark.

The Board proposed an increase in share capital from Kr.500m. to Kr.765m. with a Kr.125m. one-for-four rights issue at 105 per cent., a Kr.125m. bonus issue of one-for-four, and Kr.15m. for subscription by employees at 105 per cent. Total group equity capital at the end of last year was Kr.1.5bn.

Growth at Bertelsmann

BY DARRELL DELAMAIDE — GUETERSLOH, March 10.

BERTELSMANN AG, the German publishing giant, reports a 19.9 per cent. gain in turnover to DM2.885bn. ($1.4bn.) for the year ended June 30, 1977. Profits kept pace and rose 21.8 per cent. to DM67m. ($33m.).

Management Board member Hermann Hoffmann told a Press conference that turnover in the current business year should rise 19.5 per cent. to DM3.4bn. About one-third of this growth would be due to consolidation of new acquisitions, including the 51 per cent. share in Bantam Books of the U.S. acquired last year.

Hoffmann announced that the company's $20m. issue on the international capital market would be used to finance the Bantam acquisition.

The projected growth for this year would mean that Bertelsmann, which has interests in book publishing, book and record clubs, printing and magazine publishing, will have more than tripled its turnover in five years. However, Reinhard Mohn, management Board chairman and major shareholder, said the company now would enter a "consolidation phase." After this year, he said, the growth would be at only half the rate of the past few years.

Thyssen-Bornemisza downturn

BY CHARLES BATCHELOR — AMSTERDAM, March 12.

THYSSEN - BORNEMISZA, the large international industrial holding company with headquarters in Monaco, reported an 8 per cent. decline in its 1977 net profit on turnover 19 per cent. higher. The company, which has widespread interests in Holland, West Germany and the U.S., nevertheless described the result as satisfactory.

Net profit fell to Fls.111.1m. from the record Fls.120.3m. in 1976. Pre-tax profit rose to Fls.194.1m. from Fls.189.7m. while sales were Fls.3.1bn. compared with Fls.2.6bn. These results reflect lower profit margins in a number of sectors and currency fluctuations the company said in the statement from its European headquarters in Amstelveen.

The results of Thyssen-Bornemisza's U.S. interests, which amount to more than half of the concern's operations, were "excellent." But net profit was adversely affected by the declining currency fluctuations.

Results in Europe were, with isolated exceptions, lower.

Intercom holds dividend

Financial Times Reporter

Intercom is to maintain its dividend for 1977 despite an increase in capital last year of the order of a fifth. The group is the largest company in the Belgian electricity sector.

Dividends for 1977 are to be held at B.Frs.142 a share on the old shares and B.Frs.94.7 on the new capital. Intercom says that the effective rise in shareholder payment is a result of 1977's improved profit. No figures were given.

Earlier this week Intercom proposed its second rights issue in just over 12 months, the latest funding to raise some $190m.

Increased profits and dividend are announced by Glaceries de St-Roch, one of the largest glass makers in Belgium.

Net profits for 1977 are reported at B.Frs.466m. (some $14m.) compared to B.Frs.185m., and the dividend is to go up from B.Frs.50 a share to B.Frs.250.

* * *

ISS — International Service System, the Danish industrial cleaning group — announced a Kr.10m. rights issue of one new B share for six old ones at 105 per cent. The Board proposed an unchanged 10 per cent. dividend after announcing that group net profits last year increased from Kr.15.3m. to Kr.41.7m. ($7.5m.).

Money and Exchanges

Bank of England Minimum Lending Rate of 6½ per cent. (since January 6, 1978)

Fixed period interest rates, having showed signs of coming off the boil at the end of the previous week, continued to ease in London last week.

Any pressure for a rise in Bank of England Minimum Lending Rate, recently more illusory than real, finally evaporated towards the end of the week. Discount houses were prepared to pay a little more for Treasury bills at Friday's tender, leaving the average bill rate further below the trigger point for a rise in MLR.

Conditions were generally quiet, but there were fears that the creation of a new Reserve Asset, in the shape of 11½ per cent. Treasury 1979, would cause some problems. When this happened on Thursday it did lead to fairly heavy calling of money, as the banks acted to maintain a normal level of Reserve Assets, but proved of limited impact in the end.

Speculative funds, which have been fleeing from the dollar, and trying to find new homes in Switzerland, Germany or Japan, may be running out of options at last.

Recent severe measures designed to keep foreign money out of Switzerland, showed signs of having the desired effect last week, and coupled with fears about the possible introduction of similar restrictions on the movement of funds into Germany, plus the determined intervention in the foreign exchange market by the Bank of Japan, this finally led to a general recovery by the dollar.

It is also likely that some market operators are beginning to worry about their positions if there is a sharp turn in the market.

Intervention by European central banks to support the dollar was probably not required on several days. The U.S. currency rose to Sw.Frs.1.9500 against the Swiss franc, from Sw.Frs. 1.8650 at the end of the previous week.

Any involvement in the market by the German Bundesbank was merely by way of a smoothing operation, and although no financial measures were announced by Germany, the fear of them was enough to push the dollar up to DM2.0575 in terms of the D-Mark, from DM2.0220 on the previous Friday.

The fact that the Japanese yen has not been the subject of as much speculative pressure as the Swiss franc and D-mark, was probably behind the assault on the yen which began on Wednesday.

Any ideas that there was room for a further appreciation of the yen was quickly challenged by the Japanese authorities. Heavy intervention by the central bank in Tokyo, was followed by action from commercial banks in London to support the dollar, and by the Federal Reserve in New York, both acting as agents for the Bank of Japan.

The yen finished the week at Y235.95 compared with Y235.00 on the previous Friday.

Hopes of a successful conclusion to talks about the dollar by U.S. and German officials helped the dollar towards the end of the week, and its trade-weighted depreciation, as calculated by Morgan Guaranty, narrowed to 4.76 p.c. from 5.41 p.c.

Sterling remained on the sidelines for most of the week but lost ground in general, as well as in terms of the dollar. Its trade-weighted index, on Bank of England figures, fell to 64.8 from 65.3, while the pound declined to $1.9020-1.9030 against the dollar from $1.9390-1.9400 at the end of the previous week.

Gold touched $190-190¾ on Wednesday, and closed at $189½-190, the highest closing level since December 30, 1974. It finished the week at $185¾-186¼, a rise of $2¼ from the previous Friday.

Mar. 10 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	6-8	—	—	—	6⅝	5½-6½	—	—	—
2 days notice	—	—	6-6⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	6¼-6⅜	6-6⅛	—	6¼-6½	6½	5⅞-6⅜	—	—	—
One month	6⅛-6¼	6¼-6⅜	6⅛-6⅝	6½-6¼	6⅝-6¾	6⅝	5⅞-6	5⅝-5¾	6⅛	7
Two months	6½-6⅞	6⅞-6⅞	—	6½-6¼	6⅝-7	—	6	5⅞-5⅞	6¼-6⅞	7
Three months	6½-6⅞	6⅝-6¾	6⅜-6⅝	6¾-6⅝	6¾-7¼	7	6¼	5⅞-6	6⅞-6⅝	7
Six months	7⅛-7⅛	7⅛-7⅜	7-7¼	7-6⅝	7⅜-7¾	—	—	—	6⅞	7¾

FOREIGN EXCHANGES

OTHER MARKETS

GOLD MARKET

EXCHANGE CROSS-RATES

FORWARD RATES

EURO-CURRENCY INTEREST RATES*

CURRENCY RATES

MINING NOTEBOOK

Agnew hits the road to production

BY LODESTAR

ONE HOT and dusty day early last month a truck left the Agnew nickel mine in Western Australia. Its departure marked the first small beginnings of what is destined eventually to become a major new producer.

The load of ore it carried was bound for treatment at Western Mining's Kambalda concentrator. This is being used prior to the commissioning of Agnew's own plant in a few weeks. The material comes from development work in the decline which has passed through the orebody.

Mining as such is not expected to start until around the end of the year. But it is reckoned that in the period from mid-1978 to mid-1979 some 2,000 tonnes of nickel contained in concentrates could be produced.

This $A100m. (£59m.) project in which the partners are London's Selection Trust with 60 per cent. and Australia's MIM Holdings with 40 per cent. gives an ironic twist to the Western Australian nickel scene. It is beginning to come on stream when production cuts and mine closures there are the order of the day in a market for the metal which is plagued by poor demand, a resultant build-up of world stocks and a price which is now down to about $US2 a pound.

Western Mining itself has reduced output. Windarra, which fathered the great Poseidon boom, is being closed. Western Mining has Shell as its partner in this mine. Anaconda is shutting the Redross mine. Unlike Windarra, this is unlikely to re-open as it would have been running out of ore soon in any case.

But Selection Trust's Spargoville operation soldiers on without any output reduction. Moreover, it is switching the treatment of its ore from the North Kalgurli plant to Western Mining in a deal which will make Spargoville responsible for selling the refined product, a bold decision in present circumstances. Knowing Selection Trust, however, it can be assumed that this move would not have been made without some assurance that worthwhile sales outlets will be available.

Which brings us back to the question of where Agnew's nickel will go. The ore will be concentrated at the mine, smelted by Western Mining on a toll basis and then shipped to Amax's Port Nickel plant in Louisiana for refining. So the big American company is shouldering the burden of finding a market for it which no doubt suits the Selection Trust-MIM Holdings partnership fine.

Full details of the Amax contract are not known but it may be assumed in view of the close relationship between ST and the U.S. concern that if marketing problems did arise some mutually beneficial compromise would be worked out to stop any embarrassingly high stocks build-up at Port Nickel.

The Amax deal to take up to 15,000 tonnes per annum for 10 years is not due to start until Agnew attains what is termed commercial production which effectively means in 1979. By the 1980s nickel could well be coming into its own again. Inco, the world's largest producer, says that the metal is by no means "going out of style," while in due course full world production capacity should be needed to meet increasing demand.

Shell must also think so, otherwise it surely would not have gone into Windarra. In fact, the oil group's Australian representative has said that it was aware of the nickel market depression when the deal was done, but the long-term view was taken that Windarra would eventually be a "profitable and successful venture." That view, he added, had in no way changed, despite the mine's closure.

So by the time Agnew works up to its 10,000 tonnes annual capacity (the present target, although the mine has been designed for 30,000 tonnes) it could have the good luck to have the next upward turn of the nickel market cycle ahead of it. From the share market angle it is more stimulating if a new mine comes on stream in a boom time for the particular metal. But disillusion can then follow. Agnew's debut could be more appropriately timed in the long run.

Selection Trust at 386p have moved back under the 400p level below which it is usually right to pick them up. Agnew as a profitable investment is still a year or two away, but the group has plenty of other things going for it in the meantime and the buying bell could be sounding again, if only softly. The nine-month results are due this month. They should be good.

Tantalising

Tantalite is one of the minerals that is not being sucked down in the present metal market malaise. In fact, it is in strong demand, with its price firmly on the upgrade. This explains why Australia's Greenbushes Tin is keen to get hold of Vultan Minerals' neighbouring tin-tantalite leases which it works under a licence that runs out in June.

It is reported from Perth that Greenbushes is bidding $A280,000 (£166,000) plus a three-year option to subscribe for up to 650,000 Greenbushes 50-cent shares at par. The Vultan Board has accepted the offer but it is subject to shareholders' consent. So yet again Vultan's beleaguered holders are to be faced with a day of decision.

But this time the two companies have a common Board and Greenbushes is reckoned to hold some 45 per cent. of the Vultan equity. Most of the rest is held in the U.K. In such circumstances Greenbushes should surely not use its own votes when a decision is required on such a vital matter, but leave it to the outside shareholders.

Moreover, there is a case for an independent valuation of the Vultan leases. And Greenbushes should give some indication of what it is going to do with Vultan if the deal goes through. The latter's only other asset is a 25 per cent. stake in U.S. oil and gas seeker Reynolds Diversified Corporation of which the present Vultan Board professes to have "little knowledge"! Vultan's London price is 10½-12p. Greenbushes stand in Australia at around par.

INSURANCE

Covering tenants' default

BY OUR INSURANCE CORRESPONDENT

WHEN one speaks of credit insurance there is a considerable risk of being misunderstood. Most American-orientated insurers immediately think of the kind of cover which finance houses arrange for individual borrowers, insuring them against death, disablement or unemployment. British and European insurers immeditaely contemplate the whole range of commercial bonds, guarantees and indemnities which are arranged to protect commercial organisations in their relations one with the other against financial default and insolvency, failure to perform and so on.

There are two principle specialist credit insurers in the British market, providing this latter type of cover, Trade Indemnity and Credit and Guarantee Insurance. Trade Indemnity is supported by the major composite offices, while the smaller and new organisation CGI has four British and European companies as its shareholders. To a considerable degree, these two companies' activities are complementary—Trade Indemnity concentrating on the protection of the enterprise in respect of the whole of its sales turnover on credit terms, CGI concentrating on the provision of protection in respect of the default of particular customers and suppliers. But, to some extent, and for particular propositions, the two compete.

CGI, with what is fair to describe as its more individual approach to credit problems, from time to time comes up with new types of contract, and, for example, for the last few months has been offering its tenant default indemnity, which protects the owner of commercial premises against loss sustained when the tenant is in breach of his lease, for example by failure to pay the rent, breach of covenant, or failure to repair.

There are three parties to the indemnity: the insurers, the tenant, and the landlord. The indemnity is arranged between insurers and the tenant, for the benefit of the landlord, and it is the tenant who pays the premium.

The landlord for his part warrants not to amend, or to exercise any right to amend the terms of the lease without the written agreement of insurers. So, the precise terms of the particular lease are important and the tenant, when he seeks cover, must produce the lease or proposed lease for identification and incorporation.

Each proposition is assessed individually. Insurers take into account the quality of the tenant's management, the financial standing of the organisation, its current and proposed activities, and the amount and the period of the liability, while the re-letting potential of the property is another factor. Insurers reckon on providing cover for between three and five years, initially, with the possibility of extension negotiable for 12 months at a time at each anniversary date. Because each proposition is individual, there can be no rating tariff, but insurers reckon that premium will be in the range of 1 per cent. to 4 per cent. a year calculated on insurers' maximum financial liability, with a first-year minimum premium of £500.

The guarantee protects the landlord from loss due to tenant's default "provided such loss shall have been directly and naturally suffered" by the landlord. But the landlord cannot sit back, do nothing and rely on his cover if he sees his tenant getting into difficulty. By policy conditions he is obliged to take "such action as is possible and prudent to require the tenant to perform" the lease, and of course at the same time immediately to notify insurers. He must also take "all reasonable and prudent steps to mitigate loss which may be suffered . . ."

Insurers reckon that this contract will be of particular interest to the thousands of small businesses, some of whose financial positions may not be all that attractive to potential landlords, and to those commercial landlords who will be able to say to prospective tenants: "Get an indemnity and you can have a lease—and perhaps to the executives of prospective tenants who otherwise might be required to give personal financial guantees.

New Highway Code bigger

THE NEW Highway Code, on sale to-morrow, replaces the outdated edition, which is nine years old.

The code—costing 25p compared with the present 10p—is larger and contains changes and more advice.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Daily Mail Ideal Home Exhibition (cl. Apr. 1)	Olympia
Mar. 14—16	Int. Public Address Equipment Exhn.	Cunard Int. Hotel, W.6
Mar. 16—17	Vending Equipment, Refreshment Services Exhn.	Cumberland Hotel, W.1
Apr. 3—6	Environmental Pollution Control Equip. Exhn.	U.S. Trade Center, W.1
Apr. 3—7	Int. Heating, Ventilating & Air Conditioning Exhn.	Nat. Exhn. Centre, B'ham.
Apr. 4—6	Electro-Optics Exhibition	Metropole Centre, Brighton
Apr. 4—6	Computermarket '78 Exhibition	Bloomsbury Centre Htl., WC1
Apr. 4—7	Information Handling & Management Exhibition	West Centre Hotel, S.W.6
Apr. 10—13	International Gas Turbine Exhibition & Conf.	Wembley Conf. Centre
Apr. 10—14	National Printing Machinery Exhn.	Nat. Exhn. Centre, B'ham.
Apr. 11—14	London Fashion Exhibition	Earls Court

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Mar. 14—18	Int. Printing & Paper Industry Fair	Zagreb
Mar. 15—18	International Building Exhibition	Singapore
Mar. 15—19	International Trade & Industry Fair	Jeddah
Mar. 31—Apr. 5	Int. Woodworking Machinery & Wood Ind. Exhn	Paris
Mar. 31—Apr. 5	Supplies & Materials for the Furniture Ind. Exhn.	Paris
Apr. 2—6	International Fashion Week	Munich
Apr. 3—8	Electronic Components Exhibition	Paris
Apr. 4—7	Total Transport '78 Exhibition	Rotterdam
Apr. 11—15	Plastics & Rubber Technology Exhibition	Tokyo
Apr. 11—16	Seoul Trade Fair	Seoul
Apr. 11—16	Building, Heating, Plumbing & Air Conditioning Ex.	Helsinki
Apr. 14—23	International Trade Fair	Milan

BUSINESS AND MANAGEMENT CONFERENCES

Mar. 14	Building Advisory Service (BAS): Arbitration of Building Disputes	Cavendish Conf. Centre, W.1
Mar. 14	Anthony Skinner: The Detection and Prevention of Fraud	Piccadilly Hotel, W.1.
Mar. 14—16	Computer-Aided Design: Computers in Engineering and Building Design	Metropole Centre, Brighton
Mar. 15	Institute of Credit Management National Conf.	Hilton Hotel, W.1
Mar. 15	Centre for Interfirm Comparison: Management Ratios and Interfirm Comparison	Management House, W.C.2
Mar. 15—17	Keith Shipton Developments: Marine Risk Management	Royal Garden Hotel, W.8
Mar. 16	Investment & Property Studies: Corporate Credit Risk Assessment	Press Centre, E.C.4
Mar. 16	Schlesingers: Outlook for Wall Street 1978/79	Great Eastern Hotel, E.C.3
Mar. 16	Offshore Centre: The Procurement Picture for the Offshore Supply Industry 1978/79	Connaught Rooms, W.C.2
Mar. 20	Confederation of British Industry: USSR—The Outlook for British Business	Quaglino's, S.W.1
Mar. 20—22	Resources Policy: The Economics, Politics & Social Implications of Resource Use & Conservation	Oxford
Mar. 21	British Council of Productivity Associations: The Legal Implications of Interviewing—Selection and Promotion	Metropole Hotel, W.2
Mar. 21	Gresham Management Services: Employee Participation in the Retail & Distributive Industries	Hyde Park Hotel, S.W.1
Mar. 21	Oyez/IBC: The Tax Consequences of Trusts To-day	Europa Hotel, W.1
Mar. 22	London Chamber of Commerce & Industry: Pre-Shipment Finance for Small & Medium Sized Firms	69, Cannon St., E.C.4.
Mar. 29	London Chamber of Commerce & Industry: Practical Agency Problems in the Gulf States, Saudi Arabia and Iran	69, Cannon St., E.C.4
Mar. 30	British Frozen Food Federation Export Seminar	World Trade Centre, E.1
Mar. 31	Management Training Consultants: Current Trends in Management & Supervisory Training	Leicester
Mar. 31—Apr. 3	Institute of Personnel Management: The Impact of Government on Company Pay Policies & Industrial Relations	Oxford
Apr. 4	European Study Conferences: Fringe Benefits on the Shop Floor	Hilton Hotel, W.1
Apr. 5	Hawkins Publishers: Cash and Capital	Europa Hotel, W.1
Apr. 6—7	Advanced Management Research (AMR): Business Strategies in the Middle East	Grosvenor House, W.1
Apr. 6—7	Brunel University: Identifying Training Needs for Managers and Professionals	Uxbridge
Apr. 6—7	Institution of Chemical Engineers: Production Congress 78	Birmingham
Apr. 6—7	Financial Times: The Meade Report and Tax Reform	Inter-Continental Hotel, W.1
Apr. 6—7	Industrial & Commercial Techniques: Developing Export Sales	Penta Hotel, S.W.7
Apr. 10—11	Financial Times: Business and the European Community Directives	Grosvenor House, W.1
Apr. 10—12	Brintex: Energy Utilisation and Conservation in Industry	Royal Lancaster Hotel, W.2
Apr. 13	British Institute of Management (N.E. Region): Interpreting Accounts to the Non-Financial Manager	Harrogate

This week in Parliament

TO-DAY

COMMONS—Debate on Defence Estimates Proceedings on the Commonwealth Development Corporation Bill (Lords), the Northern Ireland (Emergency Provisions) Bill (Lords), and on the Refuse Disposal (Amenity) Bill (Lords). Motion relating to the Fiduciary Note Issue (Extension of Period) Order.

LORDS—Suppression of Terrorism Bill, third reading. Housing (Financial Provisions) (Scotland Bill), second reading. Civil Aviation Bill committee. Mobility allowance uprating Order. Debate on community service orders and other alternatives to prison.

SELECT COMMITTEES—Expenditure. General sub-committee. Subject: Central Office of Information. Witnesses: Senior Officials of the COI. (4.15 p.m. Room 8). Expenditure, education, arts and Home Office sub-committee. Subject: Reduction of Pressure on the Prison System. Witness: Baroness Wootton of Abinger. (4.15 p.m. Room 15). Public Accounts. Subject: Appropriation Accounts. Witnesses: Department of Employment, Manpower Services Commission and Health and Safety Commission. (5 p.m. Room 16).

TO-MORROW

COMMONS—Conclusion of Debate on Defence Estimates. Motion on the Industrial Training Levy (Engineering) Order.

LORDS—Scotland Bill, second reading.

SELECT COMMITTEES—Expenditure. Social services and employment sub-committee. Subject: Employment and Traning in the new unemployment situation. Witnesses: Manpower Services Commission. (9.30 a.m. County Hall, Lincoln). European Legislation sub-committee 11, joint meeting with a sub-Committee of the House of Lords Select Committee on European Communities. Subject: Liner Conferences. Witnesses: Department of Trade. (10.30 a.m Room 4). Nationalised Industries. Sub-committee A. Subject: British Airports Authority Report and Accounts. Witnesses: British Airports Authority. (4 p.m. Room 8).

WEDNESDAY

COMMONS. — Trustee Savings Bank Bill, second reading. Remaining stages of the Employment Subsidies Bill and of the Local Government (Scotland) Bill (Lords). Motion on the Prevention of Terrorism (Temporary Provisions) Act 1976 (Continuation) Order.

LORDS—Scotland Bill, conclusion of second reading debate.

SELECT COMMITTEES—Nationalised Industries. Sub-committee C. Subject and Witnesses: The Independent Broadcasting Authority (4 p.m. Room 8); Public Accounts. Subject: Appropriation Accounts. Witnesses: Department of Transport, Scottish Development Department. (4 p.m. Room 16); Parliamentary Commissioners for Administration. Subject: Reports of the Parliamentary Commissioner for Administration. Witness: Sir William Pile, chairman of the *Board of Inland Revenue.* (5 p.m. Room 7).

THURSDAY

COMMONS—Debate on the White Paper on The Government's Expenditure Plans, 1978-79 to 1981-82, and the second report by the expenditure committee. Motion on EEC documents on Economic and Monetary Union and National Economic Policies.

LORDS—State Immunity Bill, committee. Shipbuilding (Redundancy Payments) Bill, report. Import of Live Fish (Scotland) Bill, second reading. Debate on support for the United Nations University.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETING— [illegible]

BOARD MEETINGS— [illegible]

DIVIDEND & INTEREST PAYMENTS— [illegible]

TOMORROW

COMPANY MEETINGS— [illegible]

Henlys, 385-387 Euston Road N.W., 12
Mackinnon of Scotland, Coatbridge, 11
Parker (F.), Leicester, 3
Pratt (F.) Engineering, Grosvenor House, Park Lane, 12
Tate and Lyle Duke Street W., 11.30
Union Discount, Great Eastern Hotel, E.C., 12
Western Selection, 25-35, City Road, E.C., 11.30

BOARD MEETINGS—
Finals:
Bosner Engineering
Britannic Assurance
Camellia Investments
Clarke (T.)
Finlay Packaging
Jacobs (J. I.)
[illegible]

WEDNESDAY, MARCH 15 [illegible]

New Zealand 20-Yr. 6½pcBds. due 15 3 86 (Br.) 3¼pc
Newport 11½pcBds. Red. 15/3/78 £5.9390
Norfolk 11½pcBds. Red. 15/3/78 £5.9390
North Avon 11½pcBds. Red. 15/3/78 £5.9390
North Warwickshire 11½pcBds. Red. 15/3/78 £5.9390
Northern Rhodesia 5pc 75-80 2½pc
Norwich 11½pcBds. Red. 15/3/78 £5.9390
Nyasaland 5pc 75-80 2½pc
Presell 11½pcBds. Red. 15/3/78 £5.9390
Redfearn National Glass Db. 5¼pc
Reliance Group Inc. 15 cts.
Sandvik Aktiebolaget 6¼pc Cnv. Bds. 15 3 78 SU.S.20.6597
[illegible]

THURSDAY, MARCH 16 [illegible]

FRIDAY, MARCH 17 [illegible]

SATURDAY, MARCH 18 [illegible]

LEGAL NOTICES

[illegible]

هكذا من الأصل

The Application List for the Ordinary shares now offered for sale will open at 10 a.m. on Thursday, 16th March, 1978, and will close at such later time on the same day as County Bank Limited may determine.

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.

Application has been made to the Council of The Stock Exchange for the whole of the issued Ordinary share capital of Saga Holidays Limited ("the Company") to be admitted to the Official List.

This Offer for Sale contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

SAGA HOLIDAYS LIMITED

Offer for Sale
by
County Bank Limited
of
2,100,000 Ordinary shares of 20p each at 105p per share payable in full on application

The shares now offered rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

Share Capital

Authorised		*Issued and now being issued fully paid*
£1,500,000	in 7,500,000 Ordinary shares of 20p each	£1,200,000

Indebtedness

The Company and its subsidiaries ("the Group") have outstanding contingent liabilities in respect of counter-indemnities in favour of their principal bankers relating to guarantees of the Group's liabilities, to a passenger carrier up to a maximum of £16,000 and in respect of a bond issued to The Association of British Travel Agents Limited to cover a maximum liability of £715,700. These liabilities, and other present or future liabilities of the Group to its principal bankers (of which there was none outstanding on 24th February, 1978) are secured by mortgages on certain properties of the Group.

Save as aforesaid and apart from inter-company liabilities, on 24th February, 1978 the Group had no loan capital outstanding or created but unissued, and no outstanding mortgages, charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire-purchase commitments, guarantees or other material contingent liabilities.

Selected Information

- The Group's business is principally that of an operator of off-season inclusive holidays for those over the age of sixty offering a wide range of U.K., overseas and cruise holidays.
- The Group's management has over the past 25 years built up considerable expertise in devising, marketing and operating holidays for people aged over sixty and the directors believe that, in terms of the number of holidays taken, the Group is not only amongst the largest tour operators based in the U.K., but is also the predominant such operator specialising in holidays for the over sixties.
- The Group owns and operates three hotels in the U.K., two of which are used almost exclusively for holidays operated by the Group.

  Further information about the Group's business is set out under "Business".
- The Group's trading figures for the five years ended 30th June, 1977 are as follows:—

Year ended 30th June	*Turnover £'000*	*Profit before taxation £'000*	*Number of inclusive holidays taken*
1973	1,309	89	39,960
1974	1,939	129	52,600
1975	4,296	342	84,830
1976	7,796	614	121,600
1977	13,017	1,316	162,050

Further financial information about the Group is set out in the Accountants' Report.

- The directors forecast, on the basis of the assumptions set out under "Information relating to the profit forecast" that in the absence of unforeseen circumstances the Group's profit before taxation and extraordinary items for the year ending 30th June, 1978 will be not less than £1,850,000.
- At 24th February, 1978 the Group had received confirmed bookings for holidays with a total sales value of £6.3 million to be taken during the next financial year ending 30th June, 1979. This represents an increase of 55 per cent. over the comparable figure at 25th February, 1977 in respect of holidays to be taken during the current financial year, reflecting both an increase in volume and, to some extent, earlier booking.
- The net tangible assets of the Group as shown by the audited consolidated balance sheet at 31st December, 1977, adjusted to reflect the net proceeds of the issue, were £1.78 million.
- At 31st December, 1977 the Group held the following cash balances:—

	£'000
Amounts received for holidays in advance	4,969
Other balances	1,853
	6,822

- On the basis of the illustration set out under "Appropriation of profit" the gross equivalent dividend yield of the shares of the Company at the offer price would be 9.74 per cent, and the price earnings ratio would be 7.1.

Directors

Sidney De Haan (*Chairman*)
Enbrook House, Sandgate, Folkestone, Kent.

Roger Michael De Haan (*Managing Director*)
Enbrook House, Sandgate, Folkestone, Kent.

Sydney John Moss
Enbrook House, Sandgate, Folkestone, Kent.

Roger Dudley Crick (*Non-Executive*)
Enbrook House, Sandgate, Folkestone, Kent.

Secretary and Registered Office
Peter Charles De Haan, ACA
Enbrook House, Sandgate, Folkestone, Kent.

Principal Bankers
National Westminster Bank Limited, Europa House,
49 Sandgate Road, Folkestone, Kent CT20 1RU.

Brokers to the Company
L. Messel & Co., P.O. Box 521, Winchester House,
100 Old Broad Street, London EC2P 2HX.

Solicitors to the Company
Lovell, White & King, 21 Holborn Viaduct,
London EC1A 2DY.

Solicitors to the Offer
Travers Smith, Braithwaite & Co., 6 Snow Hill,
London EC1A 2AL.

Auditors and Joint Reporting Accountants
Safferys, Chartered Accountants, St. Martins House,
16 St. Martin's-le-Grand, London EC1A 4EP.

Joint Reporting Accountants
Whinney Murray & Co., Chartered Accountants,
57 Chiswell Street, London EC1Y 4SY.

Registrars and Transfer Office
National Westminster Bank Limited,
Registrar's Department, P.O. Box 82,
National Westminster Court, 37 Broad Street,
Bristol BS99 7NH.

The following information concerning the Group has been received by County Bank Limited from the directors of the Company:—

HISTORY

The activities of the Group have their origins in the hotel business started in 1950 by Mr. Sidney De Haan, the present Chairman. Mr. De Haan wished to fill his 36-bed hotel in Folkestone in the off season and recognised that retired people would be the group most able to take holidays during that period.

The concept of marketing off-season holidays directly to retired people was immediately successful and by 1958 the number of holidaymakers had reached a sufficient size to warrant the chartering of special trains. This was the beginning of the close relationship still maintained with British Rail.

In 1959 the Company was formed to acquire Mr. De Haan's travel business and in 1960, in order to concentrate on this business, he disposed of his hotel interests.

During the 1960s the Company's business and reputation grew steadily and contacts were increasingly developed with clubs and organisations concerned with the welfare of retired people. In 1966 for the first time the Group began to market its holidays under the name of Saga and promoted sales through its own regular publication, Saga News.

As the disposable income of pensioners gradually increased through improved pension arrangements, the Group identified a demand for overseas holidays and accordingly cruise and overseas holidays were added to the programme in 1968 and 1970 respectively.

The Group acquired two hotels in Scotland in 1976 and one in Folkestone in 1977.

BUSINESS

The Group's business is principally that of an operator of off-season inclusive holidays for those over the age of sixty offering a wide range of U.K., overseas and cruise holidays. It also owns and operates three hotels in the U.K., two of which are used almost exclusively for holidays operated by the Group.

The Group's management has over the past 25 years built up considerable expertise in devising, marketing and operating holidays for people aged over sixty and the directors believe that, in terms of the number of holidays taken, the Group is not only amongst the largest tour operators based in the U.K., but is also the predominant such operator specialising in holidays for the over sixties.

The table below shows the number of inclusive holidays taken with the Group over the last five years:—

Year ended 30th June	*Number of holidays*
1973	39,960
1974	52,600
1975	84,830
1976	121,600
1977	162,050

The Company is a member of The Association of British Travel Agents Limited.

Pricing

The concept of the Group's business is based upon the ability of retired people to take holidays outside the peak period and thus to benefit from the cost savings attributable to the mass availability of transport and accommodation at that time. The strength of the Group's purchasing power, coupled with its high reputation, enables it to acquire large amounts of transport and accommodation at low rates. By specialising in off-season holidays the directors believe that, whilst maintaining adequate trading margins, the Group's prices are generally lower, and in some cases substantially lower, than those of comparable off-season holidays operated by other companies.

The directors have made a comparison as at 1st March, 1978 of the Group's 1978 prices of two week overseas holidays with those shown in the latest principal summer brochures of the other tour-operator members of The Association of British Travel Agents Limited with a turnover not less than that of the Group. This comparison shows that in respect of the 86 daytime flights using London airports on holidays for which these other tour operators use the same hotel during the same weeks as the Group:—

—the average price (including the amount charged for airport taxes) for the 86 departures is £142.11 per holiday being 12.3% more than the Group's average price of £126.50; and

—in all cases the Group offers the same items in the package price as the other operators but also includes return rail fare within the U.K., transport across London and holiday insurance; none of these items is stated to be included by the other operators.

The Group normally reserves the right to amend the prices of holidays in the light of exchange rate movements or increases in fuel costs. The directors have, however, rarely found it necessary to increase prices for these reasons, and it is their policy to reduce the effect of currency movements by making use of the concession available to tour operators to purchase foreign currency forward.

Services included in holidays

It has always been part of the Group's policy to create holidays which are fully inclusive and which take into account the needs and preferences of people over sixty. In addition to the services generally included in package holidays, the following extra items are included in the price of holidays operated by the Group:—

—return rail travel between the holidaymaker's local station and the U.K. resort, or the point of departure from the U.K. in the case of overseas and cruise holidays;

—transport across London with courier assistance;

—all tourist, port and airport taxes; and

—comprehensive holiday insurance for overseas and cruise holidaymakers.

The directors consider it important that, as far as possible, the prospective holidaymaker knows from the outset what his basic outlay will be and the Group therefore includes in its holiday price the items listed above, which are normally charged as extras by other tour operators.

Marketing

The Group markets its holidays directly to the customer and as a result generally expects to receive approximately 70 per cent. of its bookings direct. In this way the Group avoids much of the cost associated with marketing holidays through travel agents, bookings through which have never exceeded 35 per cent. of the total holidays taken in any year.

The Group advertises in national and local newspapers and issues brochures and other literature to people on its mailing list. Advertising and promotional costs have never been more than 3 per cent. of turnover and in the Group's financial year ended 30th June, 1977 amounted to only 1.9 per cent.

New links are being continually established with organisations with a view to arranging group travel. Amongst those organisations whose members have made party bookings for 1978 are The Civil Service Retirement Fellowship, Unilever Pensioners' Club; North Thames Gas Retirement Fellowship and the Post Office Retired Staff Association.

A significant part of the Group's business is derived from the large number of film shows and lectures about its holidays which are given throughout the year by the Group's representatives. In addition, the Group's literature is displayed in many public libraries, Citizens' Advice Bureaux, Tourist Information Centres and certain offices of Age Concern.

Saga Club and Saga News

As a means of establishing and maintaining contact with those over the age of sixty, a scheme was introduced in 1966 for people in this age group to subscribe to the Saga Club, through which the Group distributes to subscribers its main holiday brochures twice a year, a copy of the quarterly magazine, Saga News, and specially prepared information sheets on matters of interest to the over sixties.

Saga News, which has a circulation in excess of 500,000 copies, contains within its 16 pages articles of general interest to retired people, up-to-date holiday information and articles on legal, financial, medical and other matters. A feature of the magazine is its "Matchmaker" service which puts lonely people in touch with others in a similar situation.

As many subscribers receive the magazine in their capacity as representatives of associations, the directors believe that through Saga News the Group is in touch with more than 1,000,000 people aged over sixty.

Range of Holidays

The table below shows the division of turnover between the Group's U.K., overseas and cruise holidays in the five years ended 30th June, 1977:—

Year ended 30th June	*U.K.*		*Overseas*		*Cruise*		*Total*
	£'000	*%*	*£'000*	*%*	*£'000*	*%*	*£'000*
1973	948	72	124	10	237	18	1,309
1974	1,254	64	343	18	342	18	1,939
1975	1,784	42	1,437	33	1,075	25	4,296
1976	2,813	36	3,154	40	1,829	24	7,796
1977	4,417	34	5,934	46	2,666	20	13,017

Turnover of the Group's hotels for the year ended 30th June, 1977 was not significant and is included in the U.K. holiday figures. It is anticipated that the proportion of hotel turnover which is not represented by holidays taken with the Group will remain insignificant in relation to total turnover for the foreseeable future.

The Group arranges holidays in the U.K. throughout the year. The main programme comprises one and two week holidays during the spring and autumn to 36 different locations using mainly hotels, although guest houses and holiday camps are also used. Holidays are also arranged in the Channel Islands, the Isle of Man and the Republic of Ireland.

During the summer period the Group arranges a large number of one week holidays utilising university accommodation in touring centres in some of which a choice of full board or self-catering is available. The Group's hotels at Aberfoyle and Melrose in Scotland are also used extensively.

The Group operates a wide range of overseas holidays. In Spain, the Canary Islands, Portugal, Malta, Southern Yugoslavia and Southern Italy a continuous programme is operated from September until May. In Northern Yugoslavia and Northern Italy the periods of operation are from September to November and from March until June. Coach tours with a cultural emphasis are operated in Spain, Italy, Yugoslavia and Rumania.

The Group's range of higher-cost overseas holidays includes three and four week holidays to the Far East using scheduled flights and luxury hotels in Bangkok, Singapore and Hong Kong.

The Group arranges a world-wide programme of cruise holidays with a number of international shipping companies. In most cases the Group secures an allocation of cabins, but for certain cruises it takes over all the accommodation for a particular sailing. The areas mainly served are the Canary Islands and the Mediterranean. Other destinations include the Caribbean, North America, Northern Europe and Africa. Holidays are also offered which combine a cruise with a hotel stay in the Canary Islands, the Mediterranean, the Far East or South America.

The Group has for several years marketed world cruises and in 1977, for the first time, arranged its own world cruise with Costa Line Cruises Limited. In view of its success the Group intends to repeat this venture in 1978.

In recent years the Group has identified an important market amongst those wishing to combine their holiday with the pursuit of a hobby or interest. Accordingly, a diverse programme of holidays offering a choice of fifteen different activities such as bowls, dancing, bridge and golf is operated both in the U.K. and overseas.

Hotels

The Group owns the following fully licensed hotels, all of which are freehold:—

The Burlington Hotel, Folkestone

The Burlington Hotel, which was acquired in 1977, is situated on The Leas at Folkestone overlooking the English Channel. It is the only 4 star (AA) hotel in Folkestone.

The hotel has 56 bedrooms, each with a private bathroom, television, radio and telephone. The total number of beds available is 91.

The Covenanters' Inn, Aberfoyle

The Covenanters' Inn is situated in the Trossachs on the edge of the Southern Highlands of Scotland. It stands in approximately 3 acres of grounds overlooking the town of Aberfoyle and the Forth Valley.

The hotel, which was acquired in 1976, has just been refurbished and is expected to reopen at the end of March 1978. It has 49 bedrooms, 38 of which have private bathrooms or showers, and the total number of beds available is 95.

Waverley Castle Hotel, Melrose

Waverley Castle Hotel, which was built in 1869, is situated in the Tweed Valley and stands in approximately 6 acres of grounds.

After its acquisition in 1976, the hotel was extensively refurbished and was reopened in April 1977. It has 104 bedrooms (38 having private bathrooms or showers) and the total number of beds available is 206.

The Covenanters' Inn and Waverley Castle Hotel were purchased in order to provide suitable accommodation for holidays which the Group wished to offer in Scotland. These hotels will therefore be used primarily for holidays operated by the Group. A limited number of the Group's holidays will also be operated to the Burlington Hotel in the off season.

The directors will continue to follow a policy of acquiring hotels in areas where the Group has difficulty in obtaining suitable accommodation but wishes to offer holidays. Although the existing hotels have not been operated by the Group for a sufficient length of time to have made a contribution to profitability, the Group's ability to achieve high occupancy levels by the hotels' inclusion in the holiday programme is likely to ensure a satisfactory return on such investments.

Cash Balances

The Group has found over the last five years that customers are tending to book holidays earlier each year to ensure that they obtain their first choice of holiday destination. In addition, the Group offers a discount, known as the "Saga Saver", to customers who wish to pay for their holidays in advance of the normal requirements of the Group's booking conditions.

SAGA HOLIDAYS LIMITED

Continued

Although the total amount of cash held by the Group is subject to seasonal fluctuations, the amount which is effectively under its control on a continuing basis has increased in each year for the last five years. This has enabled the Group to place a large proportion of its total funds on term deposit with local authorities as a result of which, when budgets are prepared, the directors can forecast relatively accurately the Group's interest income for the coming year. This enables margins on holidays to be adjusted to compensate for any substantial changes from year to year in forecast interest income which the directors believe is an important factor in maintaining steady profits growth. Such adjustments in trading margins have never been of a sufficient size to affect the Group's competitive position.

It is the Group's policy to maintain its deposits with local authorities until maturity, although prior realisation would be possible at any time. Maturities of the deposits with local authorities at 31st December, 1977 are set out in the Accountants' Report.

MANAGEMENT

Directors

Mr. S. De Haan, aged 59, is the founder of the business and has been Chairman of the Company since its incorporation in 1959. He has had over thirty years' experience in the hotel and travel industry and maintains overall control of Group finance together with responsibility for the Group's three hotels.

Mr. R. M. De Haan, aged 29, a son of the Chairman, joined the Group from school in 1965. He was appointed a director in 1969 with responsibility for marketing and suppliers' contracts and became Joint Managing Director in 1974 and Managing Director in 1976. He has responsibility for day-to-day management of the Group.

Mr. S. J. Moss, aged 57, was senior partner of a firm of solicitors in Folkestone when he retired from practice in March 1977. He was formerly a non-executive director of the Company for 13 years and is now an executive director with overall responsibility for legal work and administration.

Mr. R. D. Crick, BA(Cantab), aged 55, a brother-in-law of the Chairman, has been a non-executive director of the Company for 18 years.

Senior Management

Mr. F. J. M. Frost, aged 53, joined the Group in 1967 as Office Manager. In 1970 he was appointed General Manager with responsibility for the running of the head office in Folkestone.

Mr. A. C. Doyle, aged 42, joined the Group in 1967. He was responsible for administration from 1971 until 1976 when he assumed his present responsibility for the Group's cruising programme.

Mr. J. A. Le Masurier, BA, aged 30, joined the Group in 1969 from Exeter University. He was appointed advertising manager in 1971 and assumed overall responsibility for marketing in 1977.

Mr. J. W. H. Graham, FCA, aged 36, joined the Group in 1977 as Group Accountant, having had six years' experience in the holiday industry. He has overall responsibility for the Group's accounting function.

Mr. I. M. Vincent, BA, aged 29, joined the Group in 1969 from Exeter University. Having left to gain experience in overseas holidays, he rejoined the Group after two years in 1974. He is now responsible for overseas operations.

Mr. J. H. Bishop, aged 33, joined the Group in 1974 as editor of Saga News and public relations officer, having spent 9 years in travel journalism: He is now responsible for all Group publications and public relations.

Staff and Administration

At 31st December, 1977 the Group had 352 full time and 101 part time employees.

Departmental managers, in conjunction with the personnel department, are individually responsible for the welfare of the staff under their control and the Group has always enjoyed good staff relations. Terms of employment include a non-contributory pension and life assurance scheme, and the Group also provides a social club and sporting facilities.

For a number of years it has been the directors' policy to engage graduate management trainees and currently eleven such trainees are employed. Younger staff are actively encouraged to undertake further training. The directors believe that the senior management potential within the Group is a considerable strength.

Administration is the responsibility of ten departmental managers under the direction of an operating board consisting of the executive directors of the Company together with Mr. Frost, Mr. Doyle and Mr. Le Masurier.

In 1977 the Group computerised certain accounting, administrative and management information functions. The output required of the system is not highly sophisticated and since the computer became operational in September 1977 no major difficulties have been encountered.

PROPERTIES

The following are the principal properties owned by the Group:—

Enbrook House, Folkestone

Enbrook House is the Group's freehold head office situated one mile from the centre of Folkestone. The Group currently has consent for office use for 30,000 sq. ft. of the total floor area of approximately 55,000 sq. ft. An application has recently been submitted to the Department of the Environment for consent to use the total floor area for office and ancillary purposes. The property includes approximately 27 acres of grounds in which there are sports facilities for the Group's staff including a gymnasium and a football pitch.

Enbrook House is shown in the Group's balance sheet at its 1977 acquisition cost of £202,000. The existing planning consent for use as an office has been restricted to the Group and a further application would be necessary for office use of the property by a purchaser. The directors believe that if this restriction did not apply to the property its present value would be substantially in excess of the amount shown in the Group's balance sheet.

Hotels

Details of the Group's three hotels are shown under the heading "Hotels". These hotels with their trade furniture, furnishings and equipment are included in the Group's balance sheet at an aggregate book value of £754,000.

Valuations

Knight, Frank & Rutley, Surveyors and Valuers, have valued the above properties at open market value according to their existing use with the exception of Enbrook House which, due to the planning restriction mentioned above, has been valued with the benefit of vacant possession as an institutional building. The three hotels have been valued as operating going concerns inclusive of the trade furniture, furnishings and equipment. The valuation dated 24th February, 1978 places on the properties an aggregate value of £910,000 which compares with the expected book value of £1,056,000 after completion of renovations at the Covenanters' Inn. The difference relates to the two hotels in Scotland owned by the Group. It is not intended to incorporate this valuation in the Group's accounts because the directors consider that the value of these properties to the business of the Group is greater than open market value and exceeds the amount at which they are included in the accounts.

Site of the Wampach Hotel, Folkestone

Other properties owned by the Group include the site of the Wampach Hotel in the centre of Folkestone which was acquired in 1974 with a view to redevelopment. Shortly afterwards the existing building was extensively damaged by fire and demolished. In view of the subsequent increase in construction costs the site comprising approximately 0.4 acres has not been redeveloped. The directors, however, intend to retain this freehold property as an investment, having written it down in the Group's accounts to their valuation of £20,000.

PROCEEDS OF THE ISSUE

The shares now being offered for sale include 1,525,000 shares being sold by the existing shareholders of the Company. The balance of 575,000 shares are new shares which, after deducting the expenses of the Offer for Sale estimated at £230,000, will raise £373,750 of additional finance for the Group.

The new capital now being raised will strengthen the net asset position of the Group and will provide additional funds for the expansion of its holiday and hotel interests when suitable opportunities arise.

WORKING CAPITAL

The directors are of the opinion that the Group has adequate working capital for its present requirements.

PROFITS

The Accountants' Report shows the profit of the Group before taxation and extraordinary items for the five years ended 30th June, 1977, and for the six months ended 31st December, 1977. During the five years ended 30th June, 1977 the Group's turnover increased from £1.3 million to £13.0 million and profit before taxation from £89,000 to £1.32 million. Turnover and profit before taxation for the six months ended 31st December, 1977 were £8.9 million and £792,000 respectively.

Having regard to the profit earned in the six months ended 31st December, 1977, holidays taken since that date, and the level of bookings for holidays to be taken in the remainder of the current half-year, and on the basis of the assumptions set out under "Information relating to the profit forecast", the directors forecast that in the absence of unforeseen circumstances the consolidated profit of the Group before taxation and extraordinary items for the year ending 30th June, 1978 will be not less than £1,850,000.

DIVIDENDS

On the basis of the directors' forecast of profit for the year ending 30th June, 1978 the directors intend to recommend for payment in November 1978 a final dividend of 4.5p per share (6.82p with related tax credit). This would be the first dividend payable by the Company subsequent to the Offer for Sale.

In respect of a full year in which a similar level of profit was earned, the directors would expect to recommend dividends totalling 6.75p per share (10.23p with related tax credit). It is intended in future years to pay an interim dividend in April and a final dividend in November.

If current legislation regarding dividends, which expires on 31st July, 1978, is renewed in its present form the Company will not be subject to any dividend restrictions in respect of the two years ending 30th June, 1979, but dividends thereafter would be subject to statutory control.

APPROPRIATION OF PROFIT

The following table sets out, by way of illustration only, how a profit before taxation of £1,850,000 would be appropriated, assuming corporation tax at the rate of 52 per cent. and total dividends of 6.75p per share on the enlarged share capital of £1,200,000:—

	£'000
Profit before taxation	1,850
Less: taxation	962
Profit after taxation	888
Less: dividends totalling 6.75p per share	405
Profit retained	483

On the basis of this illustration, the dividend would be covered 2.19 times by the profit after taxation. The dividend together with the related tax credit would represent a gross equivalent dividend yield of 9.74 per cent. on the offer price of the shares. At the offer price, the Company would be valued on a price earnings ratio of 7.1.

PROSPECTS

The directors consider that improved retirement benefits in both State and private schemes will ensure continuing growth in demand for holidays for the over sixties; a section of the U.K. population which totalled approximately 10.3 million at the time of the last Census in 1971.

Although the Group is constantly developing the market for its holidays, it has always exercised control over the annual increase in the number of holidays operated. This policy, which the directors intend to continue, has enabled the Group to achieve high utilisation of the transport and accommodation made available to it with the result that selling prices are maintained at a competitive level and operating profits are maximised. In addition the relationship with suppliers which results from high utilisation of facilities will, in the opinion of the directors, ensure that sufficient additional transport and accommodation capacity will become available to the Group to ensure that planned future expansion can be achieved. The diversity of the Group's range of holidays and of the destinations to which it operates, coupled with controlled growth, is designed to ensure that the Group will avoid the problems which in the past have had serious consequences within the travel industry.

The number of holidays taken with the Group in the year ending 30th June, 1978 is expected to be approximately 190,000. The directors are planning to continue to increase the volume of holidays operated over the next few years and estimate that the Group will arrange more than a quarter of a million holidays in the year ending 30th June, 1979.

At 24th February, 1978 the Group had received confirmed bookings for holidays with a total sales value of £6.3 million to be taken during the next financial year ending 30th June, 1979. This represents an increase of 55 per cent. over the comparable figure at 25th February, 1977 in respect of holidays to be taken during the current financial year, reflecting both an increase in volume and, to some extent, earlier booking.

ACCOUNTANTS' REPORT

The following is a copy of the report of Safferys, Chartered Accountants, auditors of the Company and Joint Reporting Accountants, and of Whinney Murray & Co., Chartered Accountants, Joint Reporting Accountants, to the directors of the Company and of County Bank Limited.

St. Martins House,
16 St. Martin's-le-Grand,
London EC1A 4EP.

57 Chiswell Street,
London EC1Y 4SY.
9th March, 1978.

The Directors,
SAGA HOLIDAYS LIMITED and COUNTY BANK LIMITED

Gentlemen,

1. We have examined the audited accounts of Saga Holidays Limited ("the Company") and of its subsidiaries for the five years ended 30th June, 1977 and for the six months ended 31st December, 1977. The Company and its subsidiaries are hereafter collectively referred to as "the Group"

All the subsidiaries have been wholly owned throughout the relevant periods except for:—

(a) The Wampach Hotel (Folkestone) Limited of which the Company purchased 100 per cent. of the share capital on 22nd April, 1974 at a cost of £142,000; and

(b) The Burlington Mansions Limited of which the Company purchased 100 per cent. of the share capital between 14th December, 1976 and 7th March, 1977 at a cost of £200,000. For accounting purposes these shares are treated as having been acquired on 31st January, 1977.

Safferys have been auditors of all the companies in the Group throughout the relevant accounting periods.

2. The information set out below is based on the audited accounts of the Group after making such adjustments as we consider appropriate. These accounts have been prepared on the historical cost convention save insofar as certain fixed assets have been revalued at an amount in excess of cost. In our opinion the information gives, on the basis of the accounting convention stated above, a true and fair view of the profits and source and application of funds of the Group for the five years and six months ended 31st December, 1977 and of the state of affairs of the Group at each 30th June from 1972 to 1977, and at 31st December, 1977 and of the Company at 31st December, 1977.

3. Accounting policies

The following are the principal accounting policies adopted in preparing the financial information set out in this Report:—

(a) Principles of consolidation

The annual accounts of the Company and of its subsidiaries have been made up to 30th June in each year. Audited accounts have also been prepared for the six months to 31st December, 1977.

The Group accounts include the results and assets and liabilities of the Company and all its subsidiaries for the relevant periods since acquisition. Goodwill arising on consolidation is not being amortised. For the purposes of the Group accounts the Saga Club has not been treated as a separate entity.

(b) Fixed Assets

Fixed assets are stated at cost or at valuation except for the site of the Wampach Hotel which has been written down. Depreciation is provided on all fixed assets with the exception of freehold land and buildings. The provision for depreciation is calculated so as to write off the cost of the fixed assets over their expected useful lives. The rates of depreciation used by the Group, applied on a straight line basis, are:—

Leasehold property	— amortised equally over the remaining period of the lease
Furniture and equipment	
Hotels	— 15 per cent. per annum
Other	— 10 per cent. per annum
Motor vehicles	— 20 per cent. per annum

The principal properties of the Group were professionally valued by Knight, Frank and Rutley, Surveyors and Valuers, on 24th February, 1978 on an open market basis. However, these valuations have not been incorporated in the Group's accounts because the directors consider that the value of these properties to the business of the Group is greater than open market value and exceeds the amount at which they are included in the accounts.

(c) Cash received for holidays in advance

All cash received by the Group in an accounting period in respect of holidays with starting dates in future accounting periods is treated as a receipt in advance at the balance sheet date and is separately disclosed in the balance sheet together with a corresponding amount representing the customers' payments deposited with banks or local authorities.

(d) Brochure and advertising costs

A proportion of the expenditure on advertising, including brochure and postage costs incurred in an accounting period but in respect of holidays with starting dates in the next accounting period, is treated as a prepayment at the balance sheet date and is written off in a subsequent accounting period.

(e) Rates of exchange

Foreign currency balances have been expressed in sterling either at the rates subsequently realised, if known, or otherwise at the rates ruling at the balance sheet date.

(f) Deferred taxation

Deferred taxation is calculated using the liability method on the excess of the book value of fixed assets qualifying for taxation allowances over the written down value of those assets for taxation purposes. Advance corporation tax available more than one year after the balance sheet date has been deducted in arriving at the liability for deferred taxation shown in the balance sheet.

4. Profit and loss accounts

The consolidated results of the Group for the periods under review are as follows:—

	Notes	Year ended 30th June 1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	6 months ended 31st December 1977 £'000
Turnover	(a)	1,309	1,939	4,296	7,796	13,017	8,908
Interest on deposits	(b)	24	82	220	353	633	377
		1,333	2,021	4,516	8,149	13,650	9,285
Cost of sales	(c)	1,244	1,892	4,174	7,535	12,334	8,493
Profit before taxation		89	129	342	814	1,316	792
Taxation	(d)	39	66	177	320	655	432
Profit after taxation		50	63	165	254	661	360
Extraordinary items	(e)	—	38	—	(203)	—	—
Profit after extraordinary items		50	101	165	91	661	360
Dividends	(f)	8	—	—	30	30	—
Retained earnings		42	101	165	61	631	360
Earnings per share	(g)	0.83p	1.05p	2.75p	4.50p	11.02p	6.00p

Notes on profit and loss accounts

(a) Turnover

Turnover of the tour operating business comprises the net sales value of holidays with starting dates in the accounting period, the proceeds of insurance claims for passenger cancellations, retained deposits and revenue from retail shop sales and from extra services such as organised excursions provided to its customers by the Group, and excludes value added tax.

Turnover of the hotel business, which has not been significant, represents the value of sales net of value added tax and excludes sales to the Group's tour operating business.

(b) Interest on deposits

Interest on deposits represents income receivable on the Group's deposits including cash received from customers in advance of their holidays. Any such interest which has arisen because customers have taken advantage of the discounts on holiday prices offered by the Group for early payment is included in turnover.

(c) Cost of sales includes:—

	Year ended 30th June 1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	6 months ended 31st December 1977 £'000
Depreciation	(2)	2	5	8	53	30
Interest payable	—	5	3	8	14	72
Renovations to hotels	—	—	—	—	155	—
Computer rental and development costs	—	—	—	—	19	60

(d) Taxation

Taxation is based on the results of the Group for each period and comprises:—

	Year ended 30th June 1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	6 months ended 31st December 1977 £'000
Current taxation	39	66	177	320	514	431
Deferred taxation	—	—	—	—	141	1
	39	66	177	320	655	432

(e) Extraordinary items

The extraordinary item in 1974 represents the realised profit on the sale of the interest in the associated company referred to in paragraph 5(c) and that in 1976 represents a provision against the Group's investment in the site of the Wampach Hotel, Folkestone.

(f) Dividends

The dividend paid on each share of the Company in respect of the five years ended 30th June, 1977 and the number of shares on which the dividends were paid were as follows:—

Year ended 30th June	Dividend per share	Number of shares of £1 each
1973	50p	16,170
1974	—	—
1975	—	—
1976	20p	150,000
1977	20p	150,000

No dividends have been paid in respect of any period since 30th June, 1977.

(g) Earnings per share

Earnings per share have been calculated throughout the five years and six months ended 31st December, 1977 on the 6,000,000 Ordinary shares which will be in issue immediately after the completion of the Offer for Sale and on the consolidated profit after taxation but before extraordinary items for each period.

5. Balance sheets

The balance sheets of the Group at each 30th June from 1972 to 1977 and at 31st December, 1977 and of the Company at 31st December, 1977 are as follows:—

The Company 31st December 1977 £'000		Notes	The Group 30th June 1972 £'000	1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	31st December 1977 £'000
919	Fixed assets	(a)	18	27	195	218	107	1,129	1,153
209	Interest in subsidiaries	(b)	—	—	—	—	—	—	—
—	Interest in associated company	(c)	69	42	—	—	—	—	—
1,128			87	69	195	218	107	1,129	1,153
	Current assets:								
15	Stocks		—	—	—	—	—	20	20
843	Debtors		60	58	207	330	342	675	353
1,645	Bank balances, cash and deposits with local authorities	(d)	4	154	244	919	1,223	1,818	1,353
2,703			64	212	451	1,249	1,565	2,513	2,726
	Current liabilities:								
1,654	Creditors		84	132	293	665	828	1,747	1,690
570	Taxation		1	41	126	254	401	544	592
62	Bank overdraft		29	21	35	180	—	144	62
—	Proposed dividends		—	8	—	—	25	30	—
2,286			114	202	454	1,110	1,254	2,465	2,336
417	Net current assets (liabilities)		(50)	10	(3)	139	311	48	392
4,969	Amounts received for holidays in advance		84	202	784	1,807	3,033	5,411	4,969
(4,969)	*Less:* amounts on deposit with banks and local authorities	(d)	(84)	(202)	(784)	(1,807)	(3,033)	(5,411)	(4,969)
1,545			37	79	192	357	418	1,168	1,545
135	Deferred taxation		—	—	—	—	—	125	142
1,410	Net tangible assets		37	79	192	357	418	1,043	1,403
	Representing:								
150	Share capital		16	16	49	49	150	150	150
1,260	Reserves		42	84	152	317	277	908	1,268
1,410			58	100	201	366	427	1,058	1,418
—	*Less:* goodwill arising on consolidation		21	21	9	9	9	15	15
1,410	Attributable to shareholders of the Company		37	79	192	357	418	1,043	1,403

(a) Fixed assets are stated at cost, or at valuation, less accumulated depreciation as follows:—

The Company 31st December 1977 £'000		The Group 30th June 1972 £'000	1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	31st December 1977 £'000
	Freehold properties							
692	At cost, less amounts written off	—	—	11	165	123	62	612
—	At valuation	—	—	—	—	—	—	200
21	Additions—at cost	—	11	155	17	93	550	21
—	—at valuation 28th January, 1977	—	—	—	—	—	200	—
—	Disposals	—	—	—	—	(11)	—	—
—	Amounts written off	—	—	—	—	(203)	—	—
613	Net book amount	—	11	166	183	62	812	833
	Short leasehold properties							
14	At cost	11	7	8	14	14	14	14
—	Additions at cost	1	1	6	—	—	—	—
—	Disposals	(5)	—	—	—	—	—	—
(7)	Amortisation	(1)	(1)	(2)	(4)	(5)	(6)	(7)
7	Net book amount	8	7	12	10	9	8	7
	Furniture and equipment							
309	At cost	16	17	10	15	26	32	339
26	Additions at cost	1	1	6	10	12	292	28
—	Disposals	—	(6)	—	—	—	—	—
(78)	Depreciation	(9)	(5)	(6)	(8)	(12)	(61)	(95)
257	Net book amount	8	5	10	13	26	263	271
	Motor vehicles							
42	At cost	4	6	9	11	12	18	42
18	Additions at cost	2	3	7	1	3	31	18
(2)	Disposals	—	(1)	(4)	—	(2)	(7)	(2)
(16)	Depreciation	(2)	(4)	(4)	(5)	(6)	(11)	(16)
42	Net book amount	4	4	7	7	10	31	42
	Total							
957	At cost, less amounts written off	31	30	37	207	255	132	998
—	At valuation	—	—	—	—	—	—	200
65	Additions—at cost	4	16	174	28	113	873	65
—	—at valuation	—	—	—	—	—	200	—
(2)	Disposals	(5)	(9)	(4)	—	(13)	(7)	(2)
—	Amounts written off	—	—	—	—	(203)	—	—
(107)	Depreciation	(12)	(10)	(12)	(17)	(25)	(78)	(108)
919	Net book amount	18	27	195	218	107	1,128	1,153

The Group's investment of £223,000 in the site of the Wampach Hotel has been written down to the directors' valuation of £20,000 and has been restated at that amount in the accounts for the year ended 30th June, 1976.

(b) Interests of the Company in subsidiaries at 31st December, 1977 consist of:—

	£'000
Shares at cost	371
Amounts due from subsidiaries	81
	452
Less: amounts written off	203
	249
Less: amounts due to subsidiaries	40
	209

(c) Interest in associated company represents the Company's 50 per cent. interest in the share capital of, and amounts due from, Algarve Developments (Portugal) Empreendimentos Turisticos SARL and can be summarised as follows:—

	30th June 1972 £'000	1973 £'000
Shares at cost	13	13
Amount due from associated company	56	29
	69	42

This interest was sold in August, 1973 and part of the consideration was payable in five annual tranches. The last four such tranches have not been paid and the anticipated profit has not been reflected in the accounts of the Group. These outstanding tranches, however, represent a debt due to the Company of Swiss francs 508,905 which, expressed in sterling at the rate ruling at 31st December, 1977, amounts to £132,000. This debt has not been reflected in the accounts owing to the uncertainty as to its recoverability. A liability of £40,000 in respect of corporation tax at the rate applicable to capital gains would arise if these tranches were received.

(d) Bank balances, cash and deposits with local authorities at 31st December, 1977 amounting to £6,822,000 include deposits which will mature in the following years, although prior realisation would be possible at any time:—

Year ended 31st December	£'000
1978	2,200
1979	2,300
1980	1,850
1981	450
	6,800

(e) Share capital

	Ordinary shares of £1 each '000	Ordinary non-voting shares of £1 each '000	Total '000
Issued share capital at 30th June, 1972	16	—	16
Scrip issue of shares on 20th February, 1974	—	33	33
	16	33	49
Scrip issue of shares on 29th June, 1976	34	67	101
Issued share capital at 31st December, 1977	50	100	150

On 9th March, 1978, subject to the whole of the issued Ordinary share capital of the Company being admitted to the Official List by the Council of The Stock Exchange by not later than 31st March, 1978, the non-voting shares were enfranchised and the 150,000 Ordinary shares of £1 each then in issue were sub-divided into 750,000 Ordinary shares of 20p each. On the same date reserves of £935,000 were capitalised and a further 4,675,000 Ordinary shares of 20p each credited as fully paid were distributed by way of scrip issues and the issued share capital of the Company was thus increased to £1,085,000. Under the terms of a contract dated 9th March, 1978 with County Bank Limited the Company has agreed to allot and issue a further 575,000 Ordinary shares of 20p each.

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SAGA HOLIDAYS LIMITED

Continued

(f) Movements in the reserves of the Group are summarised below:—

	30th June					31st December
	1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	1977 £'000
Reserves and undistributed profits at beginning of period	42	84	152	317	277	908
Retained earnings for the period	42	101	165	61	631	360
Amount capitalised by way of scrip issues to shareholders	—	(33)	—	(101)	—	—
	84	152	317	277	908	1,268

(g) The Group had contingent liabilities at 31st December, 1977 of £605,000.

(h) The Group had proposed capital expenditure at 31st December, 1977 comprising:—

Contracted but not provided for in the accounts £100,000
Authorised but not contracted —

6. Source and application of funds

	The Group					
	Year ended 30th June					6 months ended 31st December
	1973 £'000	1974 £'000	1975 £'000	1976 £'000	1977 £'000	1977 £'000
Source						
Profit before taxation and extraordinary items	89	129	342	614	1,316	792
Add: depreciation and amortisation	(2)	2	5	8	53	30
decrease (increase) in goodwill	—	12	—	—	(6)	—
	87	143	347	622	1,363	822
Increase (decrease) in advance receipts	118	582	1,023	1,276	2,328	(442)
Proceeds from sale of interest in associated company	—	53	19	—	—	—
Working capital:— Decrease (increase) in						
Stocks	—	—	—	—	(20)	—
Debtors	2	(130)	(142)	(72)	(333)	(178)
Amount due from associated company	27	29	—	—	—	—
Increase (decrease) in creditors	38	161	373	182	918	(57)
Decrease (increase) in working capital requirements	67	60	231	150	566	(235)
	272	838	1,820	2,048	4,257	145
Application						
Acquisition of fixed assets	7	178	28	190	1,066	63
Dividends paid	—	8	—	5	25	30
Taxation	(7)	2	49	173	387	377
	5	180	77	278	1,478	470
Increase (decrease) in bank balances, local authority deposits and cash	266	672	1,698	1,580	2,923	(407)
Decrease (increase) in bank overdrafts	(2)	(14)	(155)	190	(144)	82
	272	838	1,628	2,048	4,257	145

7. Accounts

No audited accounts of the Company or any of its subsidiaries have been made up in respect of any period subsequent to 31st December, 1977.

Yours faithfully,

SAFFERYS, Chartered Accountants — WHINNEY MURRAY & CO., Chartered Accountants

INFORMATION RELATING TO THE PROFIT FORECAST

Assumptions

The forecast of profit of the Group for the year ending 30th June, 1978, included under "PROFITS" has been compiled on a basis consistent with the accounting policies normally adopted by the Group and includes results shown by the audited interim accounts for the six months ended 31st December, 1977. The principal assumptions on which the directors have based their forecast are that:—

1. restrictions will not be placed upon foreign travel by residents of the U.K.;
2. exchange control regulations both in the U.K. and abroad will remain substantially unchanged;
3. all necessary licences and bonds to enable the Group to trade normally will be renewed;
4. none of the Group's suppliers will cease to trade or otherwise fail to fulfil obligations entered into with the Group; and
5. there will not be any major disruption of the Group's business either in the U.K. or overseas by reason of industrial disputes, political or civil disturbances, natural disasters or outbreaks of disease.

Letter from Auditors and Joint Reporting Accountants

The following is a copy of a letter from Safferys and Whinney Murray & Co. concerning the profit forecast:—

The Directors,
Saga Holidays Limited.

9th March, 1978

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecast, for which you are solely responsible, of Saga Holidays Limited and its subsidiaries ("the Group") for the year ending 30th June, 1978, set out in the Offer for Sale dated 9th March, 1978.

In our opinion the forecast, so far as the accounting bases and calculations are concerned, has been properly compiled on the footing of the assumptions made by you set out in the Offer for Sale document and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,

SAFFERYS, Chartered Accountants — WHINNEY MURRAY & CO., Chartered Accountants

Letter from Issuing House

The following is a copy of a letter from County Bank Limited concerning the profit forecast:—

The Directors,
Saga Holidays Limited.

9th March, 1978

Gentlemen,

We refer to the forecast of profit of your Company and its subsidiaries for the year ending 30th June, 1978 contained in the Offer for Sale dated 9th March, 1978.

We have discussed with officers of your Company the bases and assumptions on which the profit forecast was made. We have also considered the letter dated 9th March, 1978 addressed to you from Safferys and Whinney Murray & Co. regarding the accounting bases and calculations underlying the profit forecast.

On the basis of the above, we consider that the profit forecast (for which you are solely responsible) has been made with due care and attention.

Yours faithfully,
for County Bank Limited
ANDREW DEACON
Director

STATUTORY AND GENERAL INFORMATION

Capital Changes

Immediately prior to 29th June, 1976 the authorised share capital of the Company was £60,000 divided into 20,000 Ordinary shares of £1 each ("£1 voting shares") and 40,000 Ordinary non-voting shares of £1 each ("£1 non-voting shares") of which respectively 16,170 and 32,340 had been issued and were fully paid. On that date the authorised share capital was increased to £150,000 by the creation of an additional 30,000 £1 voting shares and an additional 60,000 £1 non-voting shares and 33,830 £1 voting shares and 67,660 £1 non-voting shares were issued credited fully paid by way of capitalisation of reserves. On 9th March, 1978, subject to the whole of the issued Ordinary share capital of the Company being admitted to the Official List by the Council of The Stock Exchange not later than 31st March, 1978:—

1. each of the £1 voting shares was sub-divided into five Ordinary shares of 20p each ("Ordinary shares") and each of the £1 non-voting shares was sub-divided into five Ordinary non-voting shares of 20p each;
2. the authorised share capital of the Company was increased from £150,000 to £1,500,000 by the creation of an additional 6,750,000 Ordinary shares;
3. the sum of £5,000 standing to the credit of the Company's revenue reserves was capitalised and 25,000 Ordinary shares were distributed, credited as fully paid up, rateably amongst the holders of the Ordinary shares;
4. the 500,000 Ordinary non-voting shares of 20p each were converted into 500,000 Ordinary shares; and
5. the further sum of £930,000 standing to the credit of the Company's revenue reserves was capitalised and 4,650,000 Ordinary shares were distributed, credited as fully paid up, rateably amongst the holders of the Ordinary shares.

Contract with County Bank Limited

Under Contract 5 below:—

1. County Bank Limited ("County Bank") has agreed to subscribe, or procure subscribers for, and the Company has agreed to allot and issue 575,000 Ordinary shares at a price of 105p per share, less a commission of 1½ per cent. (plus value added tax); and
2. County Bank has agreed to purchase from the Ordinary shareholders a total of 1,525,000 Ordinary shares at a like price, less commission at the same rate (plus value added tax),

subject in both cases to the whole of the issued Ordinary share capital of the Company being admitted to the Official List by the Council of The Stock Exchange not later than 31st March, 1978, with a view to all such 2,100,000 shares being offered for sale to the public.

The Contract provides (inter alia) that the Company will pay the costs and expenses of and incidental to the application to the Council of The Stock Exchange, all its legal and accountancy fees and other expenses in connection with the preparation, publication, advertising and circulation of this Offer for Sale, the expenses of and incidental to the reorganisation of its authorised and issued share capital (including capital duty in respect of the allotment of the said 575,000 Ordinary shares) and the adoption of new Articles of Association, all printing charges, a fee to the Brokers and a fee to County Bank together with its expenses for acting as receiving banker. The total expenses payable by the Company are estimated to amount to £230,000 (excluding value added tax). County Bank will pay its own legal expenses and, pursuant to underwriting agreements to which the Company is not a party, commissions of 1¼ per cent. (plus value added tax) of the offer price in respect of the Ordinary shares now offered for sale. The vendor shareholders will pay all stamp duty incurred on the sale of registered shares pursuant to the Offer.

Taxation

The directors are advised that immediately following completion of the Offer for Sale the Company should not be a close company as defined in the Income and Corporation Taxes Act 1970.

Shortfall and apportionment clearances (as appropriate) have been obtained for the Company and its trading subsidiaries in respect of the five years ended 30th June, 1977.

Under Contract 5 below the vendor shareholders have given indemnities to the Company and its subsidiaries in respect of taxation and estate duty.

Shareholdings and Interests

Immediately after completion of this Offer for Sale the interests of the directors and their families in the share capital of the Company, as shown in the register maintained pursuant to the Companies Act 1967, will be as follows:—

Name of Director	Ordinary shares Beneficial	Ordinary shares Non-beneficial
S. De Haan	772,996	246,278
R. M. De Haan	786,200	270,908
S. J. Moss	273,364	517,184
R. D. Crick	17,500	Nil

The non-beneficial holding shown opposite the name of Mr. S. J. Moss represents 246,278 shares in respect of trusts of which he is a co-trustee with Mr. S. De Haan and 270,906 shares in respect of trusts of which he is a co-trustee with Mr. M. E. Hatch, a partner in Safferys, and Mr. R. M. De Haan.

Immediately after the completion of this Offer for Sale, Rysaffe Trustee Company (C.I.) Limited will own as trustee for Mr. D. De Haan (a son of the Chairman), his wife and issue, 847,947 Ordinary shares, representing 14.0 per cent. of the issued Ordinary share capital of the Company.

Save as disclosed herein, the directors are not aware of any shareholdings which will immediately after completion of this Offer for Sale represent five per cent. or more of the issued Ordinary share capital of the Company.

The names of the vendor shareholders and the numbers of Ordinary shares being sold by them under the Contract with County Bank referred to above are as follows:—

Name of Vendor		Ordinary shares
S. De Haan		125,873
R. M. De Haan		235,377
S. J. Moss		78,892
R. D. Crick		12,727
Mrs. M. J. S. De Haan		111,794
P. De Haan		219,776
Mrs. S. J. Moss		316,708
Rysaffe Trustee Company (C.I.) Limited	(Trustee of the D. De Haan Settlement)	257,637
M. E. Hatch, R. M. De Haan and S. J. Moss	(Trustees of the S. De Haan Settlement)	41,847
M. E. Hatch, R. M. De Haan and S. J. Moss	(Trustees of the M. J. S. De Haan Settlement)	41,647
S. De Haan and S. J. Moss	(Trustees of the R. M. De Haan Settlement)	37,861
S. De Haan and S. J. Moss	(Trustees of the P. De Haan Settlement)	37,861

Articles of Association

The Articles of Association of the Company contain provisions (inter alia) to the following effect:—

Votes of Members

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles or their terms of issue, on a show of hands every Member personally present shall have one vote and on a poll every Member present either personally or by proxy shall have one vote for every Ordinary share held by him. A corporation, being a Member, is deemed to be present personally if represented by a properly authorised representative. No member shall be entitled to vote or exercise any right conferred by membership in relation to meetings of the Company if he or any person appearing to be interested in shares registered in his name is in default in supplying to the Company within 21 days the information required by a valid notice served under section 27 of the Companies Act 1976.

Directors

(i) The directors shall be entitled to receive by way of remuneration for their services as directors such sum as shall from time to time be determined by the Company in General Meeting. Such sum (unless otherwise directed by the resolution by which it is voted) shall be divided amongst the directors as the Board may by resolution determine or, in default of agreement, equally. The Board may sanction the payment of reasonable travelling, hotel and other expenses incurred by a director in attending and returning from meetings of the Board or committees of the Board or General Meetings of the Company or which he may incur in or about the business of the Company.

(ii) Any director appointed to the office of chairman, deputy chairman, managing director or executive director or other executive office or who discharges any special duty or function devoting special attention beyond the attention necessary for the performance of his ordinary duties as a director shall be paid such additional remuneration (whether by way of salary, commission or participation in profits or otherwise) as the Board may determine.

(iii) Any director may continue to be or become a director, managing director, manager or other officer or holder of any place of profit under or employee or member of any other company in which the Company may be interested and no such director shall be accountable to the Company for any remuneration or other benefits received by him by reason of such other office, position, employment or membership.

(iv) Any director may hold any other office or place of profit under the Company in conjunction with his office of director of the Company on such terms as to tenure, remuneration or otherwise as the Board shall determine and he or any firm in which he is interested may act in a professional capacity for the Company (other than as auditor) and shall be entitled to receive and retain remuneration (by way of salary, fee, participation in profit or otherwise) for such services as if he were not a director of the Company.

(v) The Board may establish and maintain any pension, insurance or superannuation funds and shall have the power to give or procure the giving of donations, gratuities, pensions or similar payments to any persons, including directors, former directors (or wives, husbands, widows, widowers, families and dependants of such persons) who hold or have held at any time any salaried employment or office in the Company or any of its subsidiary or associated companies.

(vi) No director shall be required to hold any qualification shares.

(vii) Section 185 of the Companies Act 1948 (relating to the appointment and retirement of directors who have attained the age of seventy) applies to the Company.

(viii) A director may contract or be interested in any contract or arrangement with the Company but the nature of his interest must be declared. A director shall not however vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, but this prohibition shall not apply to any of the following matters namely:—

(a) any proposal concerning an offer of shares or debentures or other securities of the Company or any company controlled by the Company in which the director is to be interested as a participant in the underwriting or sub-underwriting thereof;

(b) any contract for giving any security or indemnity to a director in respect of money lent by him or any obligation or liability undertaken or to be undertaken by him for the benefit of the Company or any company controlled by the Company;

(c) any arrangement for giving any security or indemnity to any other person or company for any liability or obligation of the Company or any company controlled by the Company for which the director shall be personally liable in whole or in part;

(d) any proposal concerning any other corporation in which such director is interested (directly or indirectly) whether as an officer or shareholder or otherwise provided that he is not (directly or indirectly) the holder of or beneficially interested in 1 per cent. or more of the issued shares of any class of such corporation or of any third corporation through which his interest is derived or of the voting rights available to members of the relevant corporation; and

(e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefit scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.

Borrowing Powers

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to each of the subsidiaries (if any) so as to secure (so far as such exercise can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (exclusive of intra-Group loans) shall not without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to twice the aggregate of the following, all as shown in the latest published audited consolidated balance sheet of the Group, namely:—

(a) the amount paid up on the issued share capital of the Company (adjusted as may be necessary in respect of share capital of the Company issued or paid up, otherwise than by a capitalisation of reserves, or redeemed since the date of that balance sheet); and

(b) the amount standing to the credit of the consolidated capital and revenue reserves (including share premium account) adjusted as may be necessary by deducting
(i) any amounts included therein attributable to goodwill or other intangible assets and
(ii) any debit balance on profit and loss account;
and excluding (insofar as they have not already been excluded)
(i) any amounts attributable to minority interests and
(ii) any sums representing a provision for taxation (other than deferred taxation).

Further Information on the Group

The Company was incorporated in England under the Companies Act 1948 on 6th October, 1959 as a private company with the name of Inter City Tours Limited, its name being changed to the present one on 1st March, 1978. The Company was converted into a public company and adopted new Articles of Association on 9th March, 1978. The following is a list of the Company's subsidiaries:—

Name	Main Activity	Date of Incorporation	Issued Share Capital
Algarve Developments Limited	Dormant	15th August, 1962	£7,150
The Burlington Mansions Limited	Hotel operator	14th June, 1898	£15,000
Inter City Tours Limited	Dormant	19th February, 1970	£100
New Villas Rentals Limited	Dormant	9th September, 1963	£1,000
Saga (Senior Citizens) Holidays Limited	Tour operator	26th January, 1968	£2
Shepway International Leisure and Conference Limited	Dormant	6th August, 1974	£20
The Wampach Hotel (Folkestone) Limited	Property holding	18th May, 1948	£20,344

The above are wholly-owned private companies and were incorporated in England.

Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into within the period of two years immediately preceding the date of this document and are or may be material:—

1. Dated 1st October, 1976, between the Receiver of Fontana Hotels Limited (1) and the Company (2) being an agreement for the purchase of Waverley Castle Hotel, Melrose, Scotland, for a consideration of £130,000.
2. Dated 19th October, 1976, between the Receiver of Fontana Hotels Limited (1) and the Company (2) being an agreement for the purchase of the Convenanters' Inn, Aberfoyle, Scotland, for a consideration of £140,000.
3. Dated between 14th December, 1976 and 7th March, 1977 (inclusive), between F. J. Ralph and others (1) and the Company (2) being transfers whereby the Company acquired for a consideration of £187,857 the whole of the issued share capital of The Burlington Mansions Limited which company owns the Burlington Hotel and the Manor House in Folkestone.
4. Dated 1st April, 1977, between General Sir Charles Henry Pepys Harington and others (1) and the Company (2) being an agreement for the purchase of Enbrook House, Sandgate, Folkestone, Kent, for a consideration of £190,000.
5. Dated 9th March, 1978, between S. De Haan and the other vendor shareholders listed above (1), the directors (2), the Company (3) and County Bank (4) being the above-mentioned Contract relating to the subscription and purchase by County Bank of a total of 2,100,000 Ordinary shares.

Miscellaneous

1. Save as otherwise mentioned herein, during the two years immediately preceding the date of this Offer for Sale:—

(a) no share or loan capital of the Company or any subsidiary has been issued for cash or for a consideration other than cash and no share or loan capital of the Company or any subsidary is now proposed to be so issued;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company or any subsidiary in connection with the issue or sale of any part of their respective share or loan capitals;

(c) no director has had (or now has) any interest, direct or indirect, in any assets which within the said period have been or are proposed to be acquired or disposed of by or leased to the Company or any subsidiary;

(d) there have not been (and there are not now) any contracts subsisting with the Company or any of its subsidiaries which are significant in relation to the business of the Company and its subsidiaries taken as a whole and in which any director is materially interested.

2. No share or loan capital of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

3. Neither the Company nor any subsidiary has any litigation or claims of material importance pending or threatened against it.

4. There is no existing or proposed service contract between any director of the Company and the Company or any subsidiary.

5. Mr. M. E. Hatch, a partner in Safferys, the Company's auditors, sold on 24th October, 1977 to Mrs. S. J. Moss his beneficial shareholding in the Company, now equivalent to 335,462 Ordinary shares. 95 per cent. of these shares are being included in the shares of the Company now offered for sale and the consideration receivable by Mr. Hatch from Mrs. Moss for his former shareholding will be increased to the amount realised in respect of such shares pursuant to the Offer for Sale. The remaining 5 per cent. of the shares sold to Mrs. Moss are included in the number of shares in which Mr. S. J. Moss is shown above to be beneficially interested immediately after completion of this Offer for Sale and Mr. Hatch will have no further beneficial interest in the share capital of the Company following such completion.

Whinney Murray & Co. have notified the directors of the Company and of County Bank that, in view of his interest in the Offer for Sale, Mr. M. E. Hatch has not been concerned with the preparation of the joint Accountants' Report.

6. Rysaffe Trustee Company (C.I.) Limited is wholly owned by the partners of Safferys.

7. The emoluments of the present directors of the Company amounted to £31,716 for the year ended 30th June, 1977. Under the arrangements now in force the emoluments of the directors are estimated to be £46,031 for the year ending 30th June, 1978.

8. Without prior approval of the Company in general meeting no material issue of shares (other than shares first offered to shareholders *pro rata* to existing holdings) will be made within one year from the date of this Offer for Sale and no issue will be made which would effectively alter the control of the Company or the nature of its business.

9. The commissions of £9,151 (including value added tax) in respect of the issue of 575,000 Ordinary shares conditionally agreed to be subscribed by County Bank will be payable by way of deduction from the subscription price receivable by the Company. No part of the proceeds of such issue is required to be provided (and none is intended at present to be applied) in respect of the purchase price of property, preliminary expenses, the repayment of moneys borrowed in respect of either of the foregoing, or working capital.

Consents and Documents

Safferys and Whinney Murray & Co. have given, and have not withdrawn, their respective written consents to the issue of this Offer for Sale with the inclusion herein of their joint report and their letter together with references thereto set out in the form and context in which the same appear. Knight, Frank & Rutley have given, and have not withdrawn, their written consent to the issue of this Offer for Sale with the inclusion herein of references to their valuation in the form and context in which they appear. County Bank has given, and has not withdrawn, its written consent to the issue of this Offer for Sale with the inclusion herein of its letter set out in the form and context in which it appears.

Such consents, together with the statement of adjustments made by Safferys and Whinney Murray & Co. in arriving at the figures shown in their joint report and giving their reasons therefor, and copies of the above-mentioned contracts, were attached to the copy of this Offer for Sale delivered to the Registrar of Companies.

Copies of the following documents will be available for inspection at the offices of Travers Smith, Braithwaite & Co., 6 Snow Hill, London EC1A 2AL, during normal business hours on any weekday (excluding Saturdays and public holidays) for a period of 14 days from the date of publication of this Offer for Sale:—

(a) The Memorandum and Articles of Association of the Company.
(b) The audited consolidated accounts of the Company and its subsidiaries for the two years ended 30th June, 1977 and the six months ended 31st December, 1977.
(c) The contracts referred to above.
(d) The joint Accountants' Report and statement of adjustments and their above-mentioned consents.
(e) The valuation of Knight, Frank & Rutley and their above-mentioned consent.
(f) The above-mentioned letters relating to the forecast of profit.
(g) The above-mentioned consent of County Bank.

PROCEDURE FOR APPLICATION

Applications must be for a minimum of 200 shares and must be made on the forms provided, in accordance with the terms thereof, and must be in the following multiples:—

Applications for not less than 200 shares and not more than 1,000 shares	in multiples of 100 shares
Applications for over 1,000 shares and not more than 10,000 shares	in multiples of 500 shares
Applications for over 10,000 shares and not more than 20,000 shares	in multiples of 1,000 shares
Applications for over 20,000 shares	in multiples of 5,000 shares

Each application must be accompanied by a separate cheque for the full amount payable on application and be forwarded to County Bank Limited, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, so as to arrive not later than 10 a.m. on Thursday, 16th March, 1978. Cheques, which must be drawn on a bank, or branch thereof, in and be payable in England, Scotland or Wales, or drawn on a clearing bank branch in the Channel Islands or the Isle of Man, must be made payable to County Bank Limited and crossed "Not Negotiable".

County Bank Limited reserves the right to present all cheques for payment on receipt and to retain Letters of Acceptance and excess application moneys pending clearance of applicants' cheques. Due completion and delivery of an Application Form, accompanied by the necessary cheque, shall constitute an undertaking that the cheque will be honoured on first presentation; a warranty to that effect is contained in the Application Form. County Bank Limited reserves the right to reject any application in whole or in part and, in particular, to reject applications which in its opinion are multiple or suspected multiple applications.

Preferential consideration will be given (up to a maximum of 75,000 shares) to applications made by employees of the Group, other than the vendor directors, on the special pink forms available to them.

Acceptance of applications will be conditional upon the whole of the issued Ordinary share capital of the Company being admitted to the Official List by the Council of The Stock Exchange on or before 31st March, 1978. Moneys paid in respect of applications will be returned if such admission is not granted by that date and in the meantime will be retained in a separate bank account. If any application is not accepted, or is accepted for fewer shares than the number applied for, the application moneys or the balance thereof, as the case may be, will be returned by cheque through the post at the applicant's risk.

Arrangements have been made for the registration by the Company of the Ordinary shares now being offered for sale, free of stamp duty, in the names of the persons entitled thereto under the terms of the Letters of Acceptance, which will be renounceable up to and including 26th April, 1978. Share Certificates will be despatched on 26th May, 1978.

Copies of this Offer for Sale with Forms of Application may be obtained from:—

County Bank Limited
11 Old Broad Street,
London EC2N 1BB.

86 King Street,
Manchester M2 4NR.

West Riding House,
67 Albion Street,
Leeds LS1 5AA.

1 Randolph Crescent,
Edinburgh EH3 7TH.

New Issues Department,
Drapers Gardens,
12 Throgmorton Avenue,
London EC2P 2BD.

L. Messel & Co.
Winchester House,
100 Old Broad Street,
London EC2P 2HX.

Saga Holidays Limited
Enbrook House,
Sandgate,
Folkestone, Kent.

and from principal branches of National Westminster Bank Limited.

Dated 9th March, 1978

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 16th MARCH, 1978 AND WILL CLOSE AT SUCH LATER TIME ON THE SAME DAY AS COUNTY BANK LIMITED MAY DETERMINE.

SAGA HOLIDAYS LIMITED

Offer for Sale
by
County Bank Limited
of 2,100,000 Ordinary shares of 20p each at 105p per share payable in full on application.

FORM OF APPLICATION

To
COUNTY BANK LIMITED

*Number of shares for which application is made	Amount of cheque enclosed
	£

*Applications must be for a minimum of 200 shares and thereafter in multiples of 100 shares up to 1,000 shares; thereafter in multiples of 500 shares up to 10,000 shares; thereafter in multiples of 1,000 shares. Applications in excess of 20,000 must be in multiples of 5,000 shares.

Gentlemen,

Having paid the above-mentioned sum being the amount payable on application for the stated number of Ordinary shares I/we hereby apply to purchase that number of shares.

I/We agree to accept such shares or any smaller number in respect of which this application may be accepted subject to the Memorandum and Articles of Association of the Company and to the several terms and conditions contained in the Offer for Sale dated 9th March, 1978.

I/We request that you issue to me/us a renounceable Letter of Acceptance for that number of shares or such smaller number as aforesaid. I/We authorise you to send such Letter of Acceptance, together with a cheque for any amount overpaid, by post at my/our risk to the address (first) given below.

I/We warrant that the accompanying cheque will be paid on first presentation.

I/We declare that I am/we are not resident outside the Scheduled Territories† and am/are not applying for the above-mentioned shares as nominee(s) of any person(s) resident outside those Territories.

(If this declaration cannot be made, it must be deleted and reference must be made to an Authorised Depositary‡ or to an Approved Agent in the Republic of Ireland‡ through whom this form must be lodged.)

Dated ____________ 1978

First or Sole Applicant (1) *Usual Signature* ____________

Please Use Block Letters

All Christian Names or Forenames
Surname (State Mr., Mrs., Miss or Title)
Address in full (including postcode)

A Corporation may complete under hand by a duly authorised officer who should state his representative capacity. All joint applicants must sign.

JOINT APPLICANTS (if any)

(2) *Signature* ____________
All Christian Names or Forenames ____________
Surname ____________
(Mr., Mrs., Miss or Title)
Address in full (including postcode) ____________

(3) *Signature* ____________
All Christian Names or Forenames ____________
Surname ____________
(Mr., Mrs., Miss or Title)
Address in full (including postcode) ____________

(4) *Signature* ____________
All Christian Names or Forenames ____________
Surname ____________
(Mr., Mrs., Miss or Title)
Address in full (including postcode) ____________

A separate cheque must accompany each application

Instructions—

1. Cheques (drawn on a bank, or branch thereof, in and payable in England, Scotland or Wales or drawn on a clearing bank branch in the Channel Islands or the Isle of Man) must be made payable to "County Bank Limited" and crossed "Not Negotiable".
2. This form should be completed and sent to County Bank Limited, New Issues Department, PO Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD together with a remittance of 105p per share on the number of shares applied for, so as to reach it not later than 10 a.m. on Thursday, 16th March, 1978.
3. No receipt will be issued for the amount paid on application but an acknowledgement will be forwarded either by renounceable Letter of Acceptance (together, if applicable, with a cheque for any amount overpaid) or by return through the post of a cheque for the amount paid on application.

Definitions— EXCHANGE CONTROL ACT 1947

†The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

‡Authorised Depositaries are listed in the current issue of the Bank of England's Notice EC1 and include most banks and stockbrokers in, and solicitors practising in, the United Kingdom, the Channel Islands or the Isle of Man. An Approved Agent in the Republic of Ireland is defined in the current issue of the Bank of England's Notice EC10 as a bank in the Republic of Ireland, a member in the Republic of Ireland of The Stock Exchange or a solicitor practising in the Republic of Ireland.

OVERSEAS MARKETS

EUROBONDS

BY MARY CAMPBELL

Markets await results of talks

THE OUTLOOK as the markets open this morning was summed up succinctly by a senior foreign exchange dealer last Friday night. "The dollar has at last been successfully talked up," he said. "Now we have to see how good their words are."

On Friday night the markets were expecting a joint U.S./German announcement to result from week-end talks and a corollary of this expectation was that to-day for the second time in three weeks, no one can be sure on Monday morning where they may be on Tuesday morning.

Two weeks ago, the source of the confusion was the measures announced, after-hours on the previous Friday by the Swiss to stop capital inflows. To-day, the point at issue is whether the turn in the dollar tide provoked on Thursday and Friday by the expectations of further joint German/U.S. action will prove to be a mirage.

There is no doubt that the Eurobond market will be particularly badly placed to take a further sharp collapse of the dollar. This is not because of the technical situation in the secondary market—although the fact that prices have moved up smartly is attributed mainly to professionals buying bonds to cover shore positions in case any Schmidt-Carter deal were to provoke a sharp rise in the dollar.

The reason is that issue managers have decided to take advantage of the improvement in the market in recent days, coming as it does on top of a firmer undertone for a matter of weeks. A glance at the $1.1bn. list of dollar bonds on offer—eight of them announced since Wednesday—speaks for itself.

Even if one excludes Canada's $750m., the announcement of eight new issues worth nearly $400m. in two days would have been worthy of the dollar market at its strongest. If the week-end telephone talks between the U.S. and Germany—and the convocation of central bankers gathered in Basle to-day and to-morrow—do not produce a package which maintains the dollar's surge upwards, then, even assuming that the recent weeks' recovery has enabled dealers to lighten their inventories of other bonds issued since last autumn, one may expect an unpleasant shake-out when the current batch have to be paid for.

If the dollar were to move in the right direction on the other hand, then the outlook is good. For although other factors are insufficient by themselves to attract funds positively into long-term investment they are not unfavourable. The forecast of a further rise in U.S. interest rates remains; but it has been shifted further into the future. Confirmed yet again by the latest U.S. money supply figures, the immediate outlook is for stable rates.

Other things being equal, the yield gap is such as to offer dealers a profit on holding bonds and investors a sufficient inducement to place their money longer term. (The yield gap is not as favourable as it was in the first half of last year or in 1976; but as lead managers do not cease to point out, that period was historically exceptional by previous standards.)

Thus for example the new Norwegian issue offers about three-quarters of a point more than the six month inter-bank rate, even before allowing for the selling group discount.

As for the New York issues, the Norges Kommunalbank might be priced to yield about 9¼ in to-day's market conditions. No indications are yet available on the Canadian bonds, but the market expects yields of around 8 per cent., 8¼-8½, and 8½-8.80 for the short, medium and long tranches respectively. (These yield expectations are non-compounded—on an AIBD basis they would be slightly higher.)

Meanwhile, the D-mark sector, still going strong early in the week, faces more uncertainty than for some time due to the fact that the markets appear to think a currency turn-round more likely now than for the last few months.

However, although the outlook is clouded at present, yields were still showing a tendency to fall in the early part of last week.

The Swiss franc market has now had its collapse—prices fell back at one stage to six points or so below their pre-measures levels.

The performance of the sterling sector has also been particularly weak recently. The Citicorp issue was quoted by the lead manager at a two-point discount from the issue price in immediate after-market dealings (with the rest of the market somewhat lower). This more than eliminated the selling group discount. This bond had recovered slightly by the end of last week; but sterling bonds are not flourishing.

In the yen sector, the main factor last week apart from the currency was the accelerated expectation of a discount rate cut. This has prevented potential yields being decided for the remaining issues and placements due this month. A discount rate cut of three-quarters of a point is now widely expected.

Announcement of a unit of account issue for a Scandinavian borrower is expected this week with Kredietbank Luxembourgeoise as lead manager. Also due from this bank is a Lux.Frs.500m. ten-year issue for Copenhagen telephone.

● The Australian Government has agreed in principle for State Governments, local and semi-Government bodies and marketing authorities to borrow overseas, Prime Minister Malcolm Fraser said.

Marketing authorities such as the Australian Wool Corporation will be permitted in principle to borrow overseas to fund stocks held abroad.

BONDTRADE INDEX AND YIELD

	March 10		March 3		1978 High	1978 Low
Medium term	99.56	7.87	99.43	7.91	99.81 (13/2)	99.15 (16.2)
Long term	93.64	8.39	93.36	8.40	93.84 (2/1)	93.03 (13.1)

EUROBOND TURNOVER

(nominal value in $m.)

	U.S. dollar bonds last week	U.S. dollar bonds previous week	Other bonds last week	Other bonds previous week
Euroclear	852.5	1,240.8	337.9	438.0
Cedel	271.1	491.3	252.7	329.8

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
‡Panama	30	1983/8	¶	9½	100	Merril Lynch, Nomura	9.50
ITEL	25	1988	¶	9½	*	Kidder Peabody	*
††Canada	250	1983	5	*	*	Morgan Stanley	*
††Canada	250	1985	7½	*	*	Morgan Stanley	*
††Canada	250	1998	20	*	*	Morgan Stanley	*
Norway	100	1983	5	8½	*	Hambros	*
††Norges Kommunalbank (g'teed Norway)	75	1998	13	*	*	Smith Barney	*
ECSC	25	1993	11.43	9	*	Paribas	*
ECSC	25	1998	13.88	9¼	*	Paribas	*
‡Bertelsmann	20	1985	7	8½	100	Deutsche	8.50
†STET	50	1985	5	8	100	Kredietbank Lux., Orion	8.16
†Costa Rica	20	1985	5½	8½	100	BNP	8.68
†Banco Union	25	1983	5	7¾	100	Morgan Stanley	7.90
MacMillan Bloedel	50	1993	11½	9¼	*	Morgan Stanley	*
D-MARKS							
‡Venezuela	250	1988	8	6	101	WestLB	5.87
‡**Trinidad and Tobago	75	1983	5	6	100	Deutsche	6.00
‡Tauernautobahn	70	1993	10½	5½	100	WestLB	5.50
Philippines	100	1985	7	6¼	*	Dresdner	*
Com. Fed. de Electricidad	150	1988	8	6¼	*	WestLB	*
‡ECSC	150	1990	9.9	5¼	99½	Dresdner	5.28
‡**Kvaerner Ind.	20	1988	8	5½	100	Dresdner	5.75
Eletrobraz	150	1986	8	6½	*	Dresdner	*
SWISS FRANCS							
ASEA	100	1993	u.a.	3¾	*	UBS	*
STERLING							
‡Citicorp	20	1993	11.2	10	99½	S. G. Warburg	10.07
GUILDERS							
‡Norway	100	1983	5	6½	99½	ABN	6.60

* Not yet priced ‡ Final terms ** Placement † Floating rate note ° Minimum § Convertible
†† Registered with U.S. Securities and Exchange Commission ¶ Purchase Fund
Note: Yields are calculated on AIBD basis.

Indices

NEW YORK—DOW JONES

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 3	1977-78 High	1977-78 Low	Since compilat'n High	Since compilat'n Low
Industrial	756.58	750.00	750.87	746.79	742.72	747.31	999.75 (3/1/77)	742.12 (28/2/78)	1051.70 (11/1/73)	41.22 (2/7/32)
H'meB'nds*	88.72	88.58	88.54	88.52	88.58	88.58	95.37 (7/3)	88.55 (28/1/78)	—	—
Transport	201.69	199.31	200.14	196.66	199.75	201.65	246.64 (14/3)	199.31 (9/3/78)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	105.82	105.82	105.41	104.56	105.72	105.55	118.67 (22/2/77)	102.84 (22/2/78)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	27,090	21,620	22,030	19,980	17,250	20,120	—	—	—	—

* Basis of index changed from August 24.

Ind. div. yield %	Mar. 3	Feb. 24	Feb. 17	Year ago (approx.)
	6.22	6.14	6.13	4.43

STANDARD AND POORS

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 3	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	97.76	96.64	96.58	96.08	96.52	96.16	115.52 (3/1/77)	95.52 (6/3/78)	154.64 (11/1/73)	3.52 (30/6/32)
‡Composite	88.88	87.89	87.84	87.66	86.98	87.45	107.00 (3/1/77)	86.90 (6/3/78)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 8	Mar. 1	Feb. 22	Year ago (approx.)
Ind. div. yield %	5.55	5.57	5.47	4.17
Ind. P/E Ratio	8.46	8.40	8.46	10.45
Long Govt. Bond yield	8.20	8.25	8.27	7.76

N.Y.S.E. ALL COMMON

Mar. 10	Mar. 9	Mar. 8	Mar. 7	1977/78 High	1977/78 Low
49.46	48.94	48.87	48.82	57.07 (4/1/77)	48.37 (6/3/78)

Rises and Falls

	Mar. 10	Mar. 9	Mar. 8
Issues traded	1,841	1,820	1,836
Rises	1,127	804	876
Falls	331	515	447
Unchanged	383	501	513
New Highs	—	34	37
New Lows	—	34	38

MONTREAL

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	1977-78 High	1977-78 Low
Industrial	169.90	166.26	166.05	165.01	186.47 (1/36)	156.02 (25/10)
Combined	176.55	174.82	175.29	174.70	187.46 (19/1/77)	165.60 (25/10)

TORONTO						
Composite	1050.2	1020.5	1025.6	1020.1	1067.4 (19/7)	981.0 (26/10)

JOHANNESBURG						
Gold	203.8	207.6	210.4	205.1	218.7 (1/2/78)	159.4 (24/5)
Industrials	186.4	188.0	199.4	198.6	214.4 (4/1/78)	169.1 (22/4)

	Mar. 10	Previous	1977-78 High	1977-78 Low
Australia (*)	—	445.58	478.43 (5/1/78)	412.25 (16/2/77)
Belgium (†)	93.06	93.08	98.12 (13/1/77)	90.45 (12/1/78)
Denmark (**)	96.58	97.46	107.92 (2/6)	94.00 (6/2/78)
France (††)	51.0	50.2	58.4 (7/1/77)	45.6 (10/6)
Germany (‡‡)	803.7	805.8	815.5 (11/11)	712.5 (10/2/77)
Holland (§§)	72.5	72.3	85.2 (4/5)	70.6 (29/9)
Hong Kong (¶¶)	420.91	418.93	452.11 (11/6)	385.44 (15/1/78)
Italy (§)	61.92	62.51	75.71 (5/1/77)	54.90 (22/12)
Japan (a)	392.91	390.22	392.91 (10/3/78)	350.49 (24/11)
Singapore (b)	272.30	271.91	272.30 (10/3/78)	242.22 (5/1)

	Mar. 10	Previous	1977-78 High	1977-78 Low
Spain (d)	88.96	89.02	100.00 (30/12)	88.96 (10/3/78)
Sweden (e)	355.92	353.58	418.69 (22/5)	327.3 (24/11)
Switzerl'd (f)	280.4	283.4	323.7 (14/2)	280.4 (10/3/78)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (*) Sydney All Ord. (†) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam, Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (§) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1978 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (g) Unavailable

OVERSEAS SHARE INFORMATION

Inv. $ Prem. at $2.60 to £—82% (85½%)
Effective rate (at 1.9025) 40½% (37¼%)

NEW YORK

CANADA

GERMANY ♦

JOHANNESBURG

MINES

INDUSTRIALS

Securities Rand $U.S.0.82¼
(Discount of 28.5%)

AUSTRALIA

PARIS

VIENNA

BRAZIL

TOKYO ¶

Source Nikko Securities, Tokyo.

AMSTERDAM

COPENHAGEN ♦

STOCKHOLM

OSLO

SPAIN ▼

SWITZERLAND ♦

MILAN

BRUSSELS/LUXEMBOURG

SINGAPORE

† Ex dividend. ‡ Asked. † Traded. ‡ New Stock.

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

FINANCIAL TIMES STOCK INDICES

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 3	A year ago
[illegible]rnment Secs.	75.66	75.63	75.27	74.89	74.80	74.46	67.95
[illegible] Interest	77.89	77.63	77.41	77.38	77.27	77.17	66.55
[illegible] Ordinary	459.0	450.5	446.7	444.1	442.8	436.2	415.8
[illegible] Mines	157.8	165.6	168.6	165.0	163.2	162.9	129.0
[illegible] Div. Yield	5.91	6.01	6.05	6.09	6.10	6.17	5.52
[illegible]ngs Y'ld % (full)*	17.37	17.68	17.79	17.90	17.93	18.58	16.31
[illegible] Ratio (net) (*)	8.07	7.94	7.88	7.84	7.82	7.64	8.82
[illegible]ings marked	5,401	4,741	4,546	4,529	4,177	4,474	8,235
[illegible] Turnover £m.	—	82.93	75.97	61.25	46.30	57.77	90.90
[illegible] bargains total	—	14,927	14,779	13,100	11,098	9,946	22,588

10 a.m. 452.1. 11 a.m. 456.1. Noon 455.5. 1 p.m. 455.4.
2 p.m. 455.3. 3 p.m. 455.6.
Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=6.02.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
[illegible]	79.85 (30/9)	60.42 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
[illegible] Int.	81.27 (6/1/78)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
[illegible] Ord.	549.2 (14/9)	357.6 (12/1)	549.2 (14/9/77)	49.4 (26/6/40)
[illegible] Mines	174.5 ([illegible])	95.1 (1/2)	442.3 ([illegible])	43.5 ([illegible])

S.E. ACTIVITY

	Mar. 10	Mar. 9
— Daily		
Gilt-Edged	161.7	175.1
Industries	182.0	161.9
Speculative	58.4	50.6
Totals	122.9	107.8
— Day Average		
Gilt-Edged	167.3	166.7
Industries	161.7	144.3
Speculative	48.4	45.6
[illegible]	106.5	101.8

FINANCIAL TIMES STOCK INDICES

	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 3	A year ago
[illegible] Group	196.04	193.01	190.93	188.75	187.69	186.17	161.98
[illegible]ares	215.91	213.58	210.66	208.34	207.35	205.79	186.62
Yield [illegible]	5.75	5.84	5.89	5.94	5.97	6.02	6.76
[illegible] Ratio (net)	7.93	7.85	7.78	7.70	7.66	7.60	9.26
[illegible]	200.81	197.63	196.01	193.96	192.91	191.49	173.55

[illegible]

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	$HK218.69	....	3.40
Jardine J'pn. Fd.*	$HK283.04	....	1.10
Jardine S.E.A.	$US13.89	....	2.60
Jardine Flem. Int.†	$HK82.94	....	—

NAV Feb. 28. *Equivalent $US61.40. Next sub. March 15.

Kemp-Gee Management Jersey Ltd.
1, Charing Cross, St. Helier, Jersey. 0534 73741

Kemp-Gee Capital	79.8	82.3	....	—
Kemp-Gee Income	62.4	64.4	....	8.50

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Feb. 23	$US12.37	12.68	....	—
CMT Ltd. Feb. 23	£12.62	12.95	....	—
Metals Tst. Feb. 16	£10.93	11.20	....	—
TMT Feb. 9	$US9.26	9.50	....	—
TMT Ltd. Feb. 9	9.13	9.37	....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

Worldwide Gth Fd	$US12.83	-0.11	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 455-460

INSURANCE BASE RATES

† Property Growth 7½%
† Vanbrugh Guaranteed 7.43%
† Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
14J	14Ju	Treasury 10½pc '78‡‡	101½	8.12	10.34	5.98
28M	28S	Exch. 5pc '76-78‡‡	99¾xd	17.2	5.03	6.29
9M	9S	Treasury 11½pc '79‡‡	104⅛	31.1	11.03	6.94
17M	17S	Treasury 3pc '79‡‡	97	[illegible]	3.09	5.08
28M	28S	Electric 4¼pc '74-79	97⅝xd	17.2	4.35	5.38
1M	1N	Treasury 10½pc '79‡‡	103	[illegible]	10.10	7.97
15M	15N	Electric 3½pc '76-79	96½	10.10	3.63	5.71
3M	3S	Treasury 9pc 1980‡‡	102	3.1	8.82	7.85
14M	14N	Treasury 9½pc '80‡‡	101	10.10	9.32	8.50
15J	15D	Treasury 3½pc '77-80	94	[illegible]	3.69	6.02
15J	15D	Funding 5¼pc '78-80‡‡	96	[illegible]	5.46	7.13
25M	25N	Exchequer 13pc 1980‡‡	108	19.10	11.96	9.27
15J	15Ja	Treasury 11½pc 1981‡‡	105	9.12	10.89	9.21
15F	15A	Treasury 3½pc 1979-81	91⅛	[illegible]	3.84	6.89
1A	1O	Treasury 9¾pc 1981‡‡	101⅝xd	23.2	9.59	9.14
12J	12D	Exch 8¼pc 1981	97	—	8.48	9.21

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

AMERICANS—Continued

Dividends Paid	Stock	£	Last xd	Div. Gross	C'vr	Y'ld Gr's
J. Ap. Jy. O.	Fluor Corp $½	22⅜	28.12	$1.20	—	3.0
Mr.Je.S.D.	Ford Motor $2	32¼	17.2	$3.20	—	5.6
Mr.Ju.S.D	GATX	16⅞xd	6.3	$2.50	—	8.3
Apr. Oct.	Gen. Elect $2½	33¼	1.12	$2.20	—	3.8
Mr.Ju.S.D.	Gillette $1	18½xd	26.1	$1.50	—	4.6
Mr.Ju.S.D	Honeywell $1.50	32½xd	28.2	$1.90	—	3.3
MJSD	Hutton E.F.	783p	—	$0.68	—	4.9
Mr.Je.Sep.De.	I.B.M. Corp $5	178xd	3.2	$11.52	—	3.2
Mr.Ju.S.D.	Ingersoll-R $2	38⅝xd	7.2	$3.00	—	4.4
S.D.M.Ju.	Int. Systems & Con. $1	13	26.8	25c	—	1.1
Mr.Je.S.D.	I.U. International$	818p	10.6	90c	—	6.2
F.MyAuN.	Kaiser Al. $1⅓	21⅛xd	6.2	$1.60	—	4.3
ApJuOJa	Manf. Han. US$7.50	21½xd	3.1	$1.92	—	5.1
Ju.Ap.Jy.O.	Morgan (JP) US$2.5	29⅞	14.12	$2.20	—	4.2
N.F.My.Au.	Norton Simon Inc. $1	12⅞	31.1	76c	—	3.3
M.Jn.S.D	Owens-Ill. $3.125	14⅝xd	15.2	h$1.06	—	4.1
Ju.Oc.J.A.	Quaker Oats US$5	15⅝	20.12	$1.04	—	3.8
—	Reliance $0.25	20½xd	24.2	15c	—	—
J.A.J.O.	Rep. N.Y. Corp $5	23⅝xd	9.3	$1.00	—	2.6
F.MyAuN.	Rexnord $5	11⅝xd	9.2	80c	—	3.9
S.D.Mr.Ju.	Richdsn.-Mrrll.$1¼	16⅛	7.2	90c	—	3.1
Mr.Ju.S.D	Saul. R. F. $1	383p	11.74	—	—	—
Mr.Je.S.D	Shell Oil $1	22⅞	1.2	h$1.60	—	4.0
Mr.Je.S.Dec	Singer ($10)	13⅛	16.11	60c	—	2.6
Au.N.F.My.	Sperry Rand $0.50	25⅛xd	2.2	$1.12	—	2.5
Ma.Ju.Se.Dec	TRW Inc. $1¼	23⅞xd	6.2	$1.80	—	4.2
Feb.My.Au.Nov.	Tenneco	21⅛	15.11	$2.00	—	5.2
June Dec.	Do. 10% Ln. Stk. 91-95	134	26.11	10%	—	f7.6
J. Ap. Jy. O.	Tesoro Pt. US$0.16⅔	664p	14.9	—	—	—

S.E. List Premium 30⅜% (based on $US1.9120 per £)

Conversion factor 0.7156 (0.7282)

CANADIANS

S.E. List Premium 29¼% (based on $2.1437 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأهرام

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ✦ Regional price.
- ∥ No par value

a Tax free b Figures based on prospectus or other official estimate c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 29

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	......	Sheff. Refrshmt.	51	......
Ash Spinning	43	......	Shiloh Spinn	19	......
Bertam	14	......	Sindall (Wm.)	83	......
Bdg'wtr. Est. 50p	265	+4			
Clover Croft	22	......	**IRISH**		
Craig & Rose £1	400	......			
Dyson (R. A.) A.	41	......	Conv. 9% '80/82.	£96¾	+⅛
Ellis & McHdy	68	......	Alliance Gas	70	......
Evans Fr'k. 10p	57	......	Arnott	270	......
Evered	15¾	......	Carroll (P.J.)	103	......
Fife Forge	47	......	Clondalkin	85	......
Finlay Pkg. 5p	30	......	Concrete Prods.	125	+7
Graig Ship. £1	175	......	Heiton (Hldgs.)	49	......
Higsons Brew	82	......	Ins. Corp.	140	......
I.O.M. Stm. £1	145	......	Irish Ropes	133	......
Holt (Jos.) 25p	245	+2	Jacob	57	......
N'thn. Goldsmith	56	......	Sunbeam	30	......
Pearce (C. H.)	122	......	T.M.G.	190	......
Peel Mills	17	......	Unidare	72xd	......
Sheffield Brick	46	......			

OPTIONS

3-month Call Rates

Industrials		I.C.I.	23	Tube Invest.	38
A. Brew	6½	"Imps"	7	Unilever	40
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	7	Vickers	15
Babcock	10	KCA	5	Woolworths	6
Barclays Bank	25	Ladbroke	17		
Beecham	33	Legal & Gen.	14	**Property**	
Boots Drug	15	Lex Service	7	Brit. Land	3¾
Bowaters	16	Lloyds Bank	22	Cap. Counties	5
B.A.T.	24	"Lots"	5	E.P.	5
British Oxygen	8	London Brick	5	Intreuropean	4
Brown (J.)	20	Lonrho	7	Land Secs.	18
Burton 'A'	13	Lucas Inds.	25	MEPC	12½
Cadburys	5	Lyons (J.)	13	Peachey	10
Courtaulds	10	"Mams"	7	Samuel Props.	10
Debenhams	10	Mrks. & Spncr	11	Town & City	2
Distillers	15	Midland Bank	25		
Dunlop	[illegible]	N.E.I.	20	**Oils**	
Eagle Star	12	Nat. West Bank	22	Brit. Petroleum	35
E.M.I.	13	Do. Warrants	10	Burmah Oil	7
Gen. Accident	17	P & O Dfd.	10	Charterhall	3½
Gen. Electric	18	Plessey	9	Shell	28
Glaxo	40	R.H.M.	5	Ultramar	22
Grand Met.	9	Rank Org. 'A'	18		
G.U.S. 'A'	18	Reed Intl.	14	**Mines**	
Guardian	13	Spillers	4	Charter Cons.	12
G.K.N.	22	Tesco	4	Cons. Gold	20
Hawker Sidd.	20	Thorn	22	Rio T. Zinc	26
House of Fraser	12	Trust Houses	15		

FINANCIAL TIMES
MONDAY MARCH 13 1978

Japan adopts import promotion scheme

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, March 12.

THE JAPANESE Government has adopted an "emergency" import plan which includes measures to speed up the import of passenger aircraft. The A-300 European airbus, though not specifically mentioned in the published scheme, is understood to be one of the main targets.

Resolutions to act quickly on aircraft purchases and to increase imports of raw materials—including 5m. kilolitres of crude oil which will be stockpiled in giant tankers—were adopted at a week-end meeting of the Cabinet council for international economic relations.

The council, meeting under the chairman of Mr. Kiichi Miyazawa, director of the economic planning agency, was convened to consider how to handle three problems which have caused concern during the past two weeks:

● The renewed appreciation of the yen, which the Government feels might undermine Japan's still tentative economic recovery;

● The continuing heavy surplus on the balance of payments;

● The trade talks with the EEC which have not been progressing well and which are approaching a climax.

The three problems are closely inter-related and will become easier to solve, it is believed here, if Japan can engineer a "dramatic" increase in imports over the next few months—preferably involving manufactured goods produced by the EEC, the U.S. or both.

The import package has been published four days in advance of the start of decisive talks between Japan and the EEC at which the problem of the $5.2bn. imbalance in Japan's favour in last year's two-way trade will be the main topic.

Extended

The EEC has already presented Japan with a draft text of the communique, parts of which the Government is known to find unacceptable.

The programme says it will encourage airlines to make early purchasing decisions. It hints that current arrangements for re-lending foreign currency from the reserves to finance emergency imports might be extended to aircraft and other manufactured goods.

The main target of Government pressure will probably be TOA Domestic Airways, the smaller of Japan's two domestic airlines, which has a potential need for a wide-bodied aircraft such as the A-300 as well as for a smaller short-haul passenger jet, such as Britain's BAC-111.

The programme calls for special imports of raw materials such as nickel, chrome and pelletised iron ore.

A section of the programme dealing with Japan's domestic economy promises to accelerate starts on public works programmes and to maximise electric power investment — which is nominally the responsibility of the private sector but which the Government has power to regulate.

The programme calls for diplomatic action to induce the U.S. to support the dollar with more determination. The form of diplomatic action is not spelled out but it is likely that Prime Minister Fukuda will use his hot line to the White House.

EEC-Japanese trade talks, Page 4

Citicorp ends loans to South Africa

BY STEWART FLEMING

NEW YORK, March 12.

CITICORP, the second largest U.S. commercial bank, is reversing its previous policy and not making any more loans to the South African Government or Government-owned enterprises.

The decision, disclosed in the bank's proxy statement mailed to shareholders this week-end, was greeted by anti-apartheid groups in the U.S. as an important first step in their objective of persuading banks to cut their South African lending.

Citicorp itself, which has assets of $77bn. and overseas loans of $30bn. in its annual report for 1977, did not give a full explanation for its new policy. It said, however, that it might reconsider the decision if South Africa made "tangible progress" away from apartheid.

Although the decision falls short of what many anti-apartheid groups are seeking—Citicorp says it still intends to make loans to private sector activities that create jobs and benefit all South Africans—it is a further sign that the policies of a number of leading U.S. corporations on apartheid are hardening.

According to a recent Senate report Citicorp is one of 11 banks in the U.S. with some $2.2bn. outstanding in South Africa. That report indicated that Citicorp had participated in $767m. of syndicated loans to South Africa, mostly to Government bodies, from 1974 to 1976.

Reaction from other banks to the Citicorp move has been guarded. A Bank of America spokesman said that the bank, the largest in the country, was maintaining its previous stance that it would make loans anywhere in the world where conditions seemed appropriate. In general, U.S. banks have been unwilling to rule out loans to the South African State.

Over the past year there have been signs of growing concern about the political and economic situation in South Africa among some major U.S. corporations. In part this reflects the stance of the Carter Administration and of Mr. Andrew Young, whom President Carter appointed as U.S. Ambassador to the UN. But U.S. businesses have also been concerned about the heightening of political tensions with South Africa.

Almost exactly a year ago a group of major U.S. corporations, including General Motors, Mobil Oil and International Business Machines, announced publicly their support for a set of principles designed to promote equal employment rights for blacks and minorities in South Africa. Late last year Polaroid disclosed that it had severed its relationship with a South African distributor, allegedly for selling film and cameras to the South African Government.

In February the central organisation in the U.S. labour movement, the American Federation of Labour and Congress of Industrial Organisations, issued a strongly-worded statement denouncing apartheid. It called on U.S. corporations immediately to divest themselves of South African affiliates and to sever all ties with South African corporations.

THE LEX COLUMN

The siege of the Paris Bourse

This is the week that the Paris Bourse has been living for over the past 18 months. It is supposed to determine whether France retains a basically liberal capitalist economy or goes over to a system that is essentially controlled and directed by the state. The prospect of the latter plunged the Bourse, last May, to the lowest point in its history. Since then intermittent periods of hope for the former have swung the index abruptly upwards by up to 20 per cent.

The Bourse is a volatile market. Movements of 3 per cent. per day are unexceptional. It is indeed a market of extremes—in its ups, in its downs, in the yields with which it discounts fears, in the p/e ratios with which it rewards hopes—and that is its key attraction to the dispassionate foreign investor.

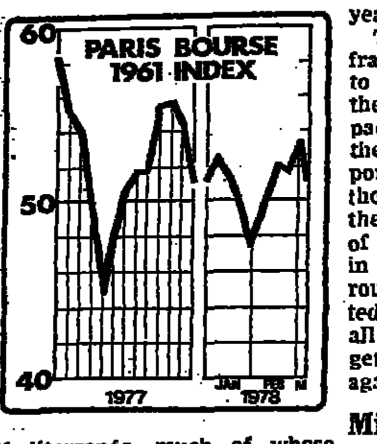
Glamour stocks

The common assumption in Paris at the moment is that political fears have depressed the stock market below its correct fundamental level. In fact, its average price-earnings ratio at the end of February was 9.9 according to Capital International—well above the U.K. figures of 7.5 and the American rating of 8.3. The Bourse's average dividend yield of about 7.5 per cent. is higher than average but this really disguises a clear polarity in the market between French glamour stocks with conspicuously low yields and various large companies whose yields are very high because of fears that they will be nationalised.

The Socialist Party has promised together with the takeover of the insurance and credit institutions to nationalise nine major industrial companies, while its prospective partner, the Communist Party, would like to add another six. Schneider SA is one of these Communist additions: it is currently yielding no less than 17.5 per cent.

Statistically the banking group Paribas looks even more attractive. It is now yielding 13 per cent.—1.5 per cent. more than a long-term Government bond. Its share price represents a 50 per cent. discount on net asset value. Given a Left-wing victory Paribas is considered one of the prime candidates for nationalisation, and the Communist idea of payment in non-marketable bonds would indeed be a sorry outcome for the investor. But, if the Socialists prevail, with the simple removal of voting rights an investment in Paribas would look rather clever.

At the other end of the scale are the glamour stocks, whose names are well known to the foreign investor. Club



Mediterranée—much of whose earnings would be unaffected by any changes in legislation that follow the election—now yields 1.8 per cent., Skis Rossignol 2.6 per cent., L'Oreal, the cosmetics company, 2.8 per cent. These are companies with good records and management. Yet, election or no election, they are remarkably rated in a world that is less impressed by the prospect of growth than it used to be.

The pace of business on the Bourse has warmed up considerably as the elections have drawn near. Trading last week was running at twice the volume that it was averaging in February. Until March 6 the market was moving oddly with the index rising—despite polls that showed consistently that the Left would win the first round in the election. It appeared that the Government was doing its bit to keep up the market before the election and was backed by nationalisation-prone insurance companies which had nothing to lose by buying into other "nationalisable" companies.

Franc weakness

Last week investors began to take advantage of this artificial demand. The trading sessions were characterised by weak starts when investors were using the morning burst of activity to place stock, and strong finishes when the state inspired investors could move the thin end-of-session market upwards more easily. The market dropped by 4 per cent over the week, and sentiment was not helped by a new bout of weakness in the franc which has now suffered a 6 per cent. trade-weighted devalua tion since the beginning of th year.

This week the market and th franc will be intensely sensitiv to the efforts of the parties o the Left to reach an electora pact for the second round o the election. Following the su portive efforts in the build-up t the election it is expected tha there will be a painful absenc of state support for the marke in the next few days, if the firs round has produced the expe ted swing to the Left. This wi all be part of the campaign t get the electorate to "thin again" before their final vote.

Minimum wage

If, early next week, it eme ges that the Left wing ha clinched this election, a stron run on both the currency an the stock market is expecte The most damaging element i the Left wing's so-called com mon programme is the pr mised massive increase in th minimum wage with all the in plied pressures on corporat profitability and on prices. I ternational investors generall believe that this will qui quickly run the market into a oversold position that will mak some of those rather high-rate French glamour stocks mu more attractive.

Analysts in Paris and abroa are nervous about the prospe should there be a narrow vi tory for the ruling centre-rig combination. Stock market e pectations based on election ou comes are usually disappointin Sweden's swing to the right w a stock market flop, and so w America's "fresh start" und President Carter. It is widel assumed that French union u rest will follow, that Prime Mi ister Raymond Barre, will hav to go, and that even the Rig will have to make substanti concessions on the minimu wage. Analysts therefore ten to take the view that an victory rally will be short-live and should be viewed primaril as an opportunity to take profit

Deloittes cuts Arab accounting firm link

BY MICHAEL LAFFERTY

DELOITTES, one of the "big eight" U.K. and international accounting firms, has ended its connections with Shair and Co., the Arab accountants with whom it has been associated in the Middle East for three years.

The decision, said to have been "by mutual consent," reflects a major change of policy within Deloittes. It also follows the announcement, late last year, that Deloittes and its U.S. arm, Haskins and Sells, will practice worldwide under the banner of Deloitte Haskins and Sells from May this year.

Now the firm is beginning afresh in what is widely agreed to be one of the most booming markets for accounting services in the world. It has already opened an office in Dubai, United Arab Emirates, and is planning another in Saudi Arabia.

Mr. Stanley Wilkins, a senior partner in its London office, attributed the decision to break off the Shair connection to "domestic difficulties." He said Deloittes had experienced "practical difficulties in staffing and carrying out work."

The new policy was to have no more connections with local accounting firms in the Middle East. "We're going to go it alone."

The decision would cost Deloittes "hundreds of thousands of pounds" in investment of both people and money. "But we think it's better this way." Mr. Wilkins added.

Whinney Murray, internationally Whinney Murray Ernst and Ernst, is the only one of the "big eight" with its own offices in all the important business centres in the Middle East.

However, two other leading firms—Arthur Andersen and Price Waterhouse—are associated with the two largest Arab accounting firms. These are Saba and Co. in the case of Arthur Andersen and Talal Abu-Ghazaleh for Price Waterhouse. Mr. Abu-Ghazaleh, the founder of the latter firm, was once a partner in Saba and Co.

Arthur Andersen has been seeking a closer arrangement with Saba for a number of years, but negotiations seem to have become bogged down over the extent to which Saba should be subject to the highly-centralised Chicago-based organisation which now typifies Arthur Andersen.

Birds Eye workers vote to call off strike

By Philip Bassett, Labour Staff

MAINTENANCE workers at the Birds Eye factory in Kirkby, Liverpool where 1,200 workers have been sacked, voted at the week-end to end their 14-week strike.

Mr. David Gough, district secretary of the Amalgamated Union of Engineering Workers, said yesterday that the 110 maintenance men at the meat pie factory had accepted the company's formula for a return to work because of the threat to the jobs of process workers at the plant.

He said that the men had settled their pay dispute for an acceptable offer but that it fell short of their demands and was comparatively low for craftsmen in the area.

The company offer before talks last week was one which would have increased basic wages from £55 to £61.50. The engineers were seeking a basic £66 a week and negotiations on productivity.

Representatives of the process workers met yesterday and will meet management to-day to see if dismissal notices issued to 1,200 workers last week will be lifted.

National union officials are to meet Birds Eye Board members this week for talks on the future of the plant. A Board meeting, which would probably be necessary to retract the notices, is not due until a week to-day.

● Union representatives of workers at the General Electric Company's electric cooker factory in Liverpool, which, it was announced on Friday, is to close, will meet the plant's management this week for talks.

Senior MPs will discuss 'sackings'

BY RUPERT CORNWELL

SENIOR back bench MPs will meet soon to consider the removal by the Government of certain Labour members from two of the Commons' most powerful and independent-minded select committees.

The decision whether to register formal complaint will be made by the so-called liaison committee, which comprises the chairmen of Parliament's dozen select committees. Mr. Edward du Cann, who heads the oldest established of them all, the Public Accounts Committee, also chairs the liaison committee.

There were already some signs last night that the incidents could develop into another manifestation of the growing tension at Westminster between the executive and legislative arms of Government.

It is perhaps the abrupt departure of Mr. Neil Kinnock, the leading Labour Left-winger from the Nationalised Industries Committee—now famous for its scathing assault on Ministers over the British Steel Corporation crisis—which has created most unease.

The timing of the move, late on Thursday night after the Government had survived the crucial votes on the committee's reports on the Corporation, aroused widespread suspicion that it was a deliberate snub to the committee by the Government—and a pointed reminder of the executive's supremacy.

In fact, it is the Whips' job to nominate and remove MPs from committees. But, in Mr. Kinnock's case, the Government appears at least to have breached normal consultation procedures by ejecting Mr. Kinnock without telling Mr. Russell Kerr, his committee's chairman.

Mr. Kerr said last night that he was "at the very least perplexed" by the episode. He has lodged a formal complaint and will be seeking a full explanation to-day from Mr. Michael Cocks, Government Chief Whip.

The other dispute concerns Dr. Oonagh MacDonald, Labour MP for Thurrock, who was taken off the Public Accounts Committee, again late on Thursday night by an order in an almost deserted Commons, against the wishes of herself and Mr. du Cann.

The reason given was that as Parliamentary private secretary to Mr. Joel Barnett, Chief Secretary to the Treasury, she was ill-suited to serve on a committee whose main business is scrutinising misuse of public funds by Whitehall departments.

Mr. Barnett expressed no objection and is said to have clashed bitterly with Mr. Michael Foot, Leader of the House and titular overlord of Commons procedural matters on the issue.

Barclays abandons plans for Saturday banking

BY PHILIP BASSETT

BARCLAYS BANK will announce to-day that it has abandoned for the time being plans to resume Saturday opening because of opposition from bank staff unions. The Barclays attempt was seen as a test case by the other clearing banks.

But a new proposal to be considered by the executive of the National Union of Bank Employees when it meets this week would, if agreed, allow greater flexibility in bank opening hours, with the possibility of some late-night and early-morning banking.

Barclays has presented the union with a new productivity deal in place of the deal which had Saturday opening as one of its attached conditions. The bank unions rejected the earlier deal because of the Saturday opening proposal and because of another condition asking for an undertaking not to take any industrial action in the next 12 months.

The new deal would give bank staff extra pay increases of 4 per cent. for the period August-December last year, and 6 per cent. for January-June this year. The bonuses would be paid monthly and the whole scheme would be renewable after 12 months.

One of the conditions attached to it is that banks be open not beyond 5 p.m. on Fridays. Agreement to the deal could mean that this loosely worded condition might be used to get new flexibility, including some late-night and early-morning opening, in bank hours.

The union wants to negotiate a productivity deal for its 111,000 members. But its executive is split between those who want to retain normal opening hours, and those who want flexibility in bank staff working hours.

But because the conditions attached to the latest productivity deal offered by Barclays do not include Saturday opening, the chances that the bank may achieve an agreement which would allow greater flexibility in opening hours are greater.

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France

election campaign, are not so very far behind. With 19.4 per cent. of the vote they have increased their combined strength since 1973, creating a more equal balance of power in the Government coalition.

In the outgoing National Assembly, including the 16 seats where by-elections are pending the Government coalition commanded 281 seats. Of these, 173 were Gaullists and 119 were held by the three-party Centrist alliance. The Socialists and Radicals had 108 seats and the Communists 74, giving the combined Left 182 MPs.

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Vehicle imports up

The biggest increases among the Continental manufacturers were gained by DAF (165 to 299 units), Volkswagen (878 to 1,152 units), Scania (183 to 263 units), and Volvo (431 to 602 units).

Following the improvement in sales of British-produced vehicles in January, last month saw a fall in registrations from 15,981 units in February last year to 15,165.

Importers' sales were up from 2,751 to 4,301, to produce total sales of 19,466 units, an increase of 3.9 per cent. on February last year.

Market leader for February was Ford, with 5,153 sales (26.5 per cent.), from British Leyland (5,117; 26.3 per cent.), Bedford (3,278; 16.8 per cent.), and Chrysler (1,331; 6.8 per cent.). Leyland lead the light van and heavy truck sector, and Ford the medium van market.

Weather

U.K. TO-DAY

CLOUD AND RAIN in the South-West of England in the morning will spread to all districts.

London, S.E. England, E. Anglia, East and N.E. England, Borders, East Scotland

Cloudy with rain later. Winds S.W. light to fresh. Max. 10C (50F).

Southern England, the Midlands, N. Wales, N.W. England, Lakes, Isle of Man, Northern England, S.W. Scotland, N. Ireland

Bright at first becoming cloudy with rain and hill fog spreading from the West. Max. 10C (50F).

Channel Isles, S.W. England, S. Wales

Cloudy with rain and hill fog but clearer by evening with showers. Max. 12C (54F).

North Scotland, Orkney, Shetland

Scattered showers and sunny periods. Max. 7C (43F).

Outlook: After some rain in the East at first, most areas will have showers and bright periods.

BUSINESS CENTRES

		Y'day °C	°F			Y'day °C	°F
Amsdm.	C	11	52	Madrid	F	12	54
Athens	R	15	59	Manchstr.	R	9	48
Bahrain	S	27	81	Melbourne	R	29	84
Barcelona	F	14	57	Mexico C.	S	20	68
Beirut	R	11	52	Milan	S	14	57
Belfast	F	6	43	Montreal	C	−1	30
Belgrade	Sl.	4	39	Moscow	Sn.	2	36
Berlin	S	8	46	Munich	F	7	45
Brmghm.	C	10	50	Newcastle	F	11	52
Bristol	C	10	50	New York	C	12	54
Brussels	F	15	59	Oslo	C	2	36
Budapest	F	8	46	Paris	C	12	54
B. Aires	S	27	81	Perth	R	24	74
Cairo	S	24	75	Prague	S	7	45
Cardiff	F	9	45	Reykjavik	F	1	34
Chicago	S	3	38	Rio de J'o	S	30	86
Cologne	C	14	57	Rome	S	15	59
Copnhagn.	F	4	39	Singapore	S	31	88
Dublin	F	9	48	Stockhlm	F	5	41
Edinbrgh.	C	9	48	Strasbrg.	F	14	57
Frankfurt	F	13	55	Sydney	F	27	81
Geneva	S	12	54	Tehran	S	16	60
Glasgow	F	9	48	Tel Aviv	S	16	61
Helsinki	S	0	32	Tokyo	C	6	44
H. Kong	C	18	64	Toronto	C	1	34
Jo'burg	C	25	77	Vienna	S	6	43
Lisbon	F	14	57	Warsaw	C	3	37
London	F	12	54	Zurich	F	13	55
Luxemb'g	F	11	52				

HOLIDAY RESORTS

Ajaccio	S	15	59	Jersey	C	10	50
Algiers	S	24	75	Las Plms.	F	19	66
Biarritz	R	10	50	Locarno	S	14	57
Blackpool	S	8	46	Majorca	F	15	59
Bordeaux	R	10	50	Malaga	F	20	68
Casablnca.	C	17	63	Malta	S	16	61
Cape Town	S	23	73	Nairobi	S	23	73
Corfu	S	16	61	Naples	S	16	61
Dubrovnik	S	11	52	Nice	S	15	59
Faro	F	16	61	Nicosia	F	15	59
Florence	S	16	61	Oporto	F	13	55
Funchal	C	15	59	Rhodes	S	14	57
Gibraltar	F	17	63	Salzburg	S	10	50
Guernsey	C	9	48	Tangier	C	17	63
Innsbruck	C	9	48	Tenerife	C	15	59
Inverness	F	10	50	Tunis	S	21	70
Isle of Mn.	R	6	43	Valencia	S	22	72
Istanbul	F	8	46	Venice	S	12	54

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sl.—Sleet. Sn.—Snow.

New plans for governing State industries

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

POWERS for Ministers to give nationalised industries precise instructions about how to conduct their businesses are to be contained in a White Paper due to be published by the Treasury early next week.

Such instructions would have to be in the national interest and would be subject to Parliamentary approval, says the White Paper, which will also propose arrangements for the industries to be compensated by the Government if the instructions lead to financial losses.

On broad financial affairs the White Paper is expected to say that nationalised industries should aim to achieve a rate of return of about 5 per cent. on their new investments.

But, contrary to some earlier expectations, the White Paper will not propose major innovations in the industries' Board structures although it will discuss the idea of civil servants, trade unionists and consumer representatives having boardroom seats.

Nevertheless, the publication of the White Paper will help to extend the debate about the relationship of nationalised industries and their sponsoring Government departments which has developed as a result of the crisis in the steel industry.

Originally due to have been published last autumn the White Paper may lead to a nationalised industries' Bill being drawn up later this summer.

Its contents stem partly from debates over the past year following publication of the Bullock Report on industrial democracy and the McIntosh Report prepared by the National Economic Development Office on nationalised Board structures.

But a major innovation on industrial democracy will not emerge until a general White Paper is published on the subject, possibly late next month.

Proposals for worker directors where unions in nationalised industries want them may be contained in that White Paper, whereas next week's document will talk merely in terms of the need for worker participation to be encouraged at all levels.

The McIntosh Report's plans for two-tier Board structures to be introduced with a top-level policy Board have also been abandoned as a general solution to the problem of relationships between Ministers and the nationalised industries.

There will also be no compulsion for boardrooms to include civil servants although the White Paper will probably outline how they could perform the dual role of being a nationalised industry director and a Ministerial adviser.

Instead, the main change proposed will be the introduction of precise powers for Ministers to give instructions to industries on their business affairs.

That would replace existing Ministerial powers to issue "general directives" which have rarely been used effectively.

But before he could act, a Minister would have to be satisfied that his instruction was in the national interest and would then have to gain approval from Parliament, probably by putting an affirmative Order to a Commons vote.

Such instructions could, for example, cover whether coal or oil should fuel a power station or how quickly a redundant steelworks should be closed down.

It may not, however, be applicable to more overtly political instructions. For example, some Ministers, including Mr. Eric Varley, Secretary for Industry, would like the power to order nationalised industries not to join the CBI.

The idea of Ministers having powers to issue instructions is not new and is contained in the British National Oil Corporation's legislation.

The issue of how compensation should be awarded may not be precisely spelt out in next week's White Paper.

There has been an argument about whether an industry should have an automatic right to be compensated or whether it should be left to Ministerial discretion.

One possible compromise solution is that a Minister should at least present an estimate to Parliament of the financial losses incurred—although there may be practical problems in preparing such estimates.

But, irrespective of provisions for Parliamentary scrutiny of instructions or for financial compensation, several nationalised industry chairmen strongly oppose the concept.

They fear that once Ministers are given such powers they will want to interfere constantly in the industries' business affairs.

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